

# THE CREATIVE ENTREPRENEUR: A STUDY OF THE ENTREPRENEUR'S CREATIVE PROCESSES

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I certify that this thesis is the true and accurate version of the  
thesis approved by the examiners

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Date *5.10.99* .....

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## **Abstract**

The aim of the research was to increase the understanding of how the entrepreneur's process of creativity began and evolved by determining how ideas and opportunities were discovered, recognised and harnessed prior to the advent of entrepreneurship.

There appeared to be a shortage of appropriate research studies into the entrepreneur's creative processes, describing how it began and evolved over time. There also appeared to be few studies that attempted to describe how entrepreneurs discovered their ideas, harnessed them, and converted them into opportunities. It would seem that the majority of the empirical research studies on the subject have focused upon managers and founders of companies compared to studies involving nascent entrepreneurs and entrepreneurs.

The objective of the research study was to provide a new synthesis of the research literature in order to create a framework that described the key cognitive processes and personal attributes that were involved in the entrepreneurs' search and evolution of their ideas. The content and elements of the framework were then compared with the context of the entrepreneurs' personal histories in order that generic themes could be identified. After a period of one year, further interviews were held with the entrepreneurs in order to monitor any changes to the processes involved.

The research began with a review of existing literature relating to the entrepreneur and entrepreneurship. A selective review of the historical research literature on the entrepreneur was followed by an appraisal of some of the entrepreneurs' attitudes and behaviour patterns. This provided a thumbnail sketch of each entrepreneur, his or her origins, and what he or she did. This was followed by a description of what might be construed as a typical nascent entrepreneur. This

description detailed the process from the 'learning phase' to the 'triggering event' that caused such a dramatic change in his or her career path, i.e. the critical incident that set off a mental chain reaction within the nascent entrepreneur that led to the establishment of his or her entrepreneurial intentions.

A review of the research literature concerning the focal theory of the research objectives led to an in-depth appraisal of what is meant by 'creativity' and 'cognitive processes'. The difficulties of researching such subjective actions are shared by previous research literature.

The creative variables were then brought together in a number of phases contained in the discovery and evolution processes. The process was then followed through the discovery phase, stressing the importance of the prepared mind to the birth of the idea. The various thinking and analytical processes involved in the evolution of an idea into an opportunity were discussed in the context of an entrepreneur's core attributes and beliefs. The focal theory review concluded with a framework of the elements appertaining to the research objectives that had been derived from the research literature. The structure and elements of the framework were then compared with the relevant data from the field research study. A number of research questions arose from the key issues raised in the research literature. These concerned: having a prepared mind, happenstance, intuition, self-belief, values, visualisation and goal setting.

The sample of the population chosen for the research study comprised fifty Scottish entrepreneurs of both sexes and varying sizes of company, ages of business, turnover and number of employees. The companies with whom entrepreneurs were involved covered various industries and activities.



Following the guidance obtained from the research literature, in-depth interviews were carried out. A number of the entrepreneurs interviewed were subjected to a follow-up meeting after one year, in order to monitor any further developments and changes to the themes identified from the first interviews, and to provide the research with a further means of validation. An opportunity was taken at the meeting to share with the entrepreneurs the preliminary findings arising from the previous interviews.

The interviews were tape-recorded, transcribed, and data was computerised. The data was then subjected to content analysis, as was the secondary information obtained from publications, newspaper articles and other case studies.

The research findings identified many generic themes among the entrepreneurs, particularly in the area described as the discovery and evolution phases of the creative process. A high percentage of entrepreneurs also had beliefs and attitudes that were similar to their business philosophy. The findings supported a number of theories that have been outlined previously in the research literature, as well as confirming many of the traits, characteristics and behaviours attributed to being entrepreneurial.

The findings of the research confirmed that many of the entrepreneurial ideas occurred serendipitously, and the use of visualisation and rehearsal techniques was considered by many to be invaluable in the creative process. Goal setting also appeared to provide essential stepping stones to the monitoring and attainment of many successful outcomes, particularly in the evolution stage. The structure and elements of the framework of the process of creation appeared to be well supported by the majority of the entrepreneurs interviewed.

Recommendations are made as to how the adoption of some of the research findings could assist in the encouragement and advancement of an enterprise learning culture, and the establishment of a 'can-do' attitude towards enterprise creation.

<b>Index</b>	<b>Page No</b>
<b>Abstract</b>	
<b>Chapter 1</b>	
<b>Introduction</b>	<b>8</b>
<b>Chapter 2</b>	
<b>The entrepreneur and creative processes</b>	<b>25</b>
<b>2.1 Background theory</b>	<b>25</b>
<b>2.1.1 Entrepreneur (History)</b>	<b>25</b>
<b>2.1.2 Entrepreneur</b>	<b>34</b>
<b>2.1.3 Nascent Entrepreneur</b>	<b>43</b>
<b>2.1.4 Triggering Event</b>	<b>47</b>
<b>2.1.5 Entrepreneurial Intentions</b>	<b>52</b>
<b>2.2 Focal theory</b>	<b>53</b>
<b>2.2.1 Introduction</b>	<b>53</b>
<b>2.2.2 Discovery</b>	<b>53</b>
<b>2.2.3 Creativity</b>	<b>54</b>
<b>2.2.4 Cognitive processes</b>	<b>63</b>
<b>2.2.5 Prepared mind</b>	<b>73</b>
<b>2.2.6 Ideas</b>	<b>88</b>
<b>2.2.7 Evolution</b>	<b>93</b>
<b>2.2.7.1 Visualisation</b>	<b>94</b>
<b>2.2.7.2 Goal-setting</b>	<b>98</b>
<b>2.2.7.3 Inner force</b>	<b>100</b>
<b>2.2.7.4 Sub-goals</b>	<b>101</b>
<b>2.2.7.5 Thinking space</b>	<b>102</b>
<b>2.2.7.6 Expectancy</b>	<b>103</b>

2.2.8	Crystallisation	103
2.2.9	Opportunities	105
2.3	Summary	108
2.3.1	The Research Questions	113
<b>Chapter 3</b>		
<b>Research Methodology and Data Collection</b>		<b>116</b>
3.1	Introduction	116
3.2	Selected literature review of research methodology	117
3.3	Data Collection	135
3.4	Method	151
3.5	Validation	151
3.6	Summary	152
<b>Chapter 4</b>		
<b>Research findings</b>		<b>156</b>
4.1.	Introduction	156
.2	Data Analysis	157
4.3	Analysis of the relationship between the hierarchical tables and research questions	164
4.4	Analysis of the findings in relation to the research aim and objectives	167
4.4.1	Research question RQ1	168
4.4.2	Research question RQ2	173
4.4.3	Research question RQ3	176
4.4.4	Research question RQ4	178
4.4.5	Research question RQ5	181
4.4.6	Research question RQ6	183
4.4.7	Research question RQ7	187
4.4.8	Research question RQ8	190
4.4.9	Research aim and objectives	192
4.5	Summary	216

## **Chapter 5**

<b>Discussion</b>	<b>219</b>
<b>5.1 Introduction</b>	<b>219</b>
<b>5.2 Overview of the research study</b>	<b>220</b>
<b>5.3 The research studies aim and objectives</b>	<b>223</b>
5.3.1 Aim	223
5.3.2 Objectives	223
5.3.3 Research questions	224
<b>5.4 Modus operandi</b>	<b>225</b>
<b>5.5 Evaluation of the research findings and the generic themes</b>	<b>229</b>
5.5.1 In the beginning	229
5.5.2 Triggering event	231
5.5.3 Core attributes	233
5.5.3.1 Self-belief	234
5.5.3.2 Self-efficacy	234
5.5.3.3 Values and principles	235
<b>5.6 Discovery</b>	<b>236</b>
5.6.1 Prepared mind	236
5.6.2 Experiences	237
5.6.3 Positive thinking	239
5.6.4 Internal control	239
5.5.5 Serendipity	240
<b>5.7 Internal processes</b>	<b>242</b>
5.7.1 Visualisation	242
5.7.2 Goal-setting	244
5.7.3 Inner force	247
5.7.4 Thinking space and time	248
5.7.5 Intuition and gut feeling	249
<b>5.8 Ideas</b>	<b>251</b>
<b>5.9 Entrepreneurs' beliefs</b>	<b>254</b>
5.9.1 People	255
5.9.2 Windows of opportunity	255

5.9.3	Needs	256
5.9.4	Part-time jobs	256
5.9.5	Inspiration	257
5.9.6	Escape routes	257
5.9.7	Family relationship	258
5.9.8	Challenge	259
5.9.9	Attitude	259
5.9.10	Equity	259
5.9.11	Persistence	260
5.9.12	Ambiguity	260
5.9.13	Exchange	261
5.9.	Learning from the research findings	261
<b>Conclusions</b>		265
6.1	Introduction	265
6.2	Summary of the research findings	265
6.3	Comments on the findings relating to the research questions	269
6.4	Comments on the findings in relation to ideas	272
6.5	Comments on the differences between entrepreneurs and non-entrepreneurs	273
6.6	Tentative profile of the creative entrepreneur	275
6.7	Reflections on the research approach	276
6.8	Implication for policy makers, entrepreneurs and practitioners	279
<b>Figures and Tables</b>		
<b>Figures</b>		
Figure 1.1	Framework showing the focus of the research objectives	15
Figure 2.1	Framework of the nascent entrepreneur's learning phase	47
Figure 2.2	Framework of the triggering event	51
Figure 2.3	Framework of the discovery process	56
Figure 2.4	Framework of creativity	63

Figure 2.5	Framework of the cognitive thought processes	65
Figure 2.6	Cognitive map of the thought processes	72
Figure 2.7	Framework of the main elements of the prepared mind	73
Figure 2.8	Framework of the entrepreneur's personal attributes	88
Figure 2.9	Framework of the entrepreneur's creative processes	92
Figure 2.10	Framework of the evolution process	93
Figure 2.11	Framework of the visualisation elements	98
Figure 2.12	Framework of the main elements involved in setting goals	100
Figure 2.13	Framework of the crystallisation process	106
Figure 2.14	Framework of the elements of the elements involved in the creative process	112
Figure 3 1	In-depth interview	125

## **Tables**

Table 1.1	Recommendations for new business survivability	9
Table 1.2	Extracts from the Government White Paper 'Our Competitive Future' December 1998	9
Table 1.3	The importance of entrepreneurship to the economy	10
Table 1.4	Elements of entrepreneurship	11
Table 1.5	The aim of the research	14
Table 1.6	The objectives of the research	14
Table 2.1	Historical focus on the role of the entrepreneur	33
Table 2.2	Recent definitions of entrepreneurs	35
Table 2.3	Factors deemed to be typically entrepreneurial	37
Table 2.4	Entrepreneur's common behaviours and attitudes	41
Table 2.5	The evolution of entrepreneurial ideas	92
Table 2.6	Research questions	113

Table 3.1	Schedule and coding of the entrepreneurs interviewed	147
Table 4.1	Schedule and coding of the variables	158
Table 4.2	Hierarchical rating of the most mentioned variables	160
Table 4.3	Hierarchical rating of the discovery process cluster of variables	160
Table 4.4	Hierarchical rating of the inner processes cluster of variables	161
Table 4.5	Hierarchical rating of the ideas cluster of variables	161
Table 4.6	Hierarchical rating of the reasons for adoption cluster of variables	162
Table 4.7	Hierarchical rating of the reasons for rejection cluster of variables	162
Table 4.8	Hierarchical rating of the reasons for incubation cluster of variables	163
Table 4.9	Hierarchical rating of the entrepreneurs' beliefs cluster of variables	163
Table 4.10	Generic themes arising from the research questions	192
Table 4.11	Generic themes associated with the discovery of ideas	200
Table 4.12	Generic themes associated with the entrepreneur's beliefs	215
Table 6.1	Tentative profile of the creative entrepreneur	275
Table 6.2	Encouraging the 'can-do' attitude	280
Table 6.3	Government White Paper proposals	281
<b>References</b>		287
<b>Appendices</b>		319
Appendix 1(a)	Introductory letter	320
Appendix 1(b)	Introductory letter	321
Appendix 2	Vignettes of each entrepreneur interviewed	322
Appendix 3	Interview briefing	338
Appendix 4	Follow-up meeting	339



## **Chapter 1**

### **Introduction**

## **Chapter 1**

### **1 Introduction**

Scottish Enterprise (1993,1996) stressed the importance of entrepreneurship and the key role of the entrepreneur in expanding the economy. In addition, it stressed the need to recapture the spirit that in the past made Scotland synonymous with enterprise. Scottish Enterprise has actively encouraged the adoption of the ‘can-do’ attitude within the entrepreneur. More recently it has identified success factors for starting a business. Interestingly, Scottish Enterprise believed ‘developing a vision’ and ‘developing a product or business idea’ were two of the crucial success factors.

To increase the development of new businesses in Scotland a number of initiatives have been introduced to encourage the growth of the enterprise learning culture: the establishment of the ‘Centres for Entrepreneurship’ in universities, ‘School enterprise’, ‘Young enterprise’, ‘Mini-enterprise’, ‘Enterprising Infants’ programmes and further educational courses throughout Scotland. In other words, being involved in an entrepreneurial enterprise has now become not only economically essential as indicated in Table 1.2 and 1.3, but is also now deemed to be respectable (Scottish Enterprise (1993, 1996).

Scottish Enterprise has followed its ‘Business Birth Rate Strategy’ with the creation of its New Ventures Team that has identified a number of key action areas geared to improving the survival rate among small businesses. This is a very important issue when two out of every three new firms fail (62.5%).

Table 1.1 details some of the recommendations that are contained in the ‘New Business Survivability’ discussion paper.

**Table 1.1 Recommendations for new business survivability.**

- Better access to funding and improved financial management
  - Improved quality and awareness of pre-start assistance
  - Easier access to available support through the Personal Enterprise Campaign
  - Peer group support and established networks
  - Top level mentoring using real entrepreneurs as advisors
- ( Scottish Enterprise New Ventures Team Discussion paper November 1998)

In Table 1.2 the Government's recent White Paper entitled 'Our Competitive Future' spells out the importance of Entrepreneurship and the Entrepreneur to the British economy.

**Table 1.2 Extracts from the Government's 1998 Competitiveness White Paper – 'Our Competitive Future'.**

- The need is for entrepreneurial individuals with the vision to turn new ideas into winning products and processes.
- Entrepreneurship is the lifeblood of the new British economy, in large companies as well as small.
- Entrepreneurship and innovation are central to the creative process in the economy and to promoting growth, increasing productivity and creating jobs.
- Entrepreneurs sense opportunities and take risks in face of uncertainty to open new markets, design products and develop innovative products. In the knowledge driven economy this process is even more critical, in small and large businesses alike.
- The UK needs more risk takers who can rapidly turn ideas into products and businesses.
- Too few people with innovative ideas and know-how come out of universities and large businesses to start growth businesses.
- The Government's aim is to create a broadly-based entrepreneurial culture, in which more people of all ages and backgrounds start their own business. In the UK, entrepreneurs are still too often viewed as mavericks.
- Entrepreneurs often fail to realise the potential of their ideas because they lack the business skills they need.
- The Department of Education is looking at ways in which schools can encourage the development of skills and attributes essential to entrepreneurship.
- Innovation is the key to growth because it delights customers, giving them something startling, new and valuable.
- Entrepreneurship has a crucial role in exploiting the economic opportunities presented by change.

Table 1.3 lists some other contributors to the importance of entrepreneurship to the country's economy.

**Table 1.3 The importance of entrepreneurship to the economy**

- ‘White paper argues that it will be entrepreneurial fast-growth companies which will create the lions share of new jobs and improve the economy’  
(European Venture Capital Association 1995)
- ‘Enterprise and economic growth are linked and that the mechanism for them is that enterprise produces entrepreneurship which in turn expands the economy’  
(Bridge, S. et al. 1998, pp.63-63)
- ‘The importance of entrepreneurship and small firms for the UK economy is now undisputed and well established’  
(Deakins. D. 1996, p.4; pp.36-45)
- ‘Entrepreneurship makes a core contribution to increasing Scotland’s industrial competitiveness and to the country’s future economic wealth’  
(Scottish Business Insider 1997)
- ‘The major contribution entrepreneurs can make to the local economic development and in the longer term to the wider regional and national economic growth is undisputed’  
(The Enterprise Panel 1996, p.7)

With so much interest and new-found activity in promoting enterprise and particularly entrepreneurship, it becomes even more important to increase the understanding of what constitutes an entrepreneur, and the important personal attributes that make him or her successful in establishing a growing enterprise.

This research addressed three of the particular concerns identified by Scottish Enterprise: establishing a ‘can-do’ attitude, developing a product or business idea and developing a vision. This study focuses upon how the nascent entrepreneur’s creative process begins and evolves, by looking at the creative, cognitive and evolutionary processes that combine to enable the nascent entrepreneur to discover, recognise, and harness ideas, and to convert them into opportunities.

Over the years there has been much debate as to whether entrepreneurs are born or made (Gibb and Ritchie, 1982), the differences between owner managers and entrepreneurs, and whether creativity, deemed to be an important ingredient, can be effectively taught. The apparent difficulty of previous researchers to arrive at a consensus of opinion on even the definition of ‘entrepreneur’ does not help this

debate. For the purposes of this research, a nascent entrepreneur is defined as a person who has, or is developing, the ambitions, attributes, behaviours and characteristics associated with those of an entrepreneur, but who has not yet created his or her own independent entrepreneurial enterprise. Furthermore, an entrepreneur is defined as an independent person who either has, or has recognised, an original idea or opportunity for a product or service, assumed control and the risk responsibility, and acquired the necessary resources required to develop an organisation in order to exploit the opportunity and convert it into a successful profitable enterprise. The business or organisation created by an entrepreneur is termed an 'enterprise' in this study. The process of business creation and ownership is termed 'entrepreneurship'.

Drawing upon the work of Timmons (1994, p.7), Table 1.4 describes the elements of entrepreneurship.

**Table 1.4 Elements of entrepreneurship**

- |  |
|--|
| <ul style="list-style-type: none"> <li>• Creating and building something of value from practically nothing.</li> <li>• A process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled.</li> <li>• It involves the definition, creation, and distribution of value and benefits to individuals, groups, organisations and society.</li> <li>• It is fundamentally a human creative act, involving finding personal energy by initiating and building an enterprise or organisation rather than by just watching, analysing, or describing one.</li> <li>• It requires vision, passion, commitment and motivation.</li> <li>• It requires a willingness to take calculated risks –both personal and financial – and then doing everything possible to influence the odds.</li> <li>• It involves building a team of people with complementary skills and talents.</li> <li>• Sensing an opportunity where others see chaos, contradiction, and confusion; and</li> <li>• Finding, marshalling, and controlling resources (often owned by others) to pursue the opportunity.</li> </ul> |
|--|

Despite a recent growth in the field of entrepreneurship research there appears to be areas where further research is needed (Bhave 1994; Kuratko et al. 1997).

Firstly, research attention requires to be directed towards an entrepreneur's creative processes. The following questions need to be specifically addressed in order that issues facing and actions undertaken by 'nascent entrepreneurs' can be understood. How does the process begin? How does the process evolve?

Secondly, it appears that a disproportionate number of relevant normative research studies have been carried out compared with more practicable, and perhaps meaningful, empirical studies which can also be validated. Even some of the empirical research studies appear to have taken what could be termed the more convenient option by sending out questionnaires for subsequent analysis. While this method has many benefits, especially when carrying out large-scale surveys, they lose the personal touch so important when cognitive processes are being researched (Kaish and Gilad 1991).

Thirdly, from the research literature many normative and empirical studies appear to have selected certain elements of the entrepreneur's creative processes to research without necessarily taking the holistic aspect of the process into consideration (Teece 1987; Gartner and Starr 1992; Bygrave 1989; Gnyawali and Fogel 1994).

Fourthly, there appears to be a shortage of quality research using appropriate methods to answer the many questions surrounding entrepreneurial creativity. With the growing awareness of the importance of the enterprise culture, it is important to have an appreciation and understanding of how the entrepreneur's creative system really works in practice. In particular, the area that can be termed the 'epicentre' of

the process, namely the discovery and subsequent evolution of the entrepreneurial idea.

If one is researching a 'process' it is unlikely that this can be successfully accomplished by using a 'snap-shot' approach such as a single interview or using a single application of a questionnaire in order to obtain the required research data. This becomes even more important if one is researching a cognitively based process, especially where the information sought has been internally generated over time, sometimes unconsciously, as well as consciously.

The key points being made are: (a) there appears to be a shortage of research studies into the creative processes of entrepreneurs, describing how they begin and evolve over time, and (b) there are few studies that attempt to describe how entrepreneurs search for their ideas, harness them, and convert them into opportunities. It appears that the majority of the empirical research studies on the subject have focused upon managers and founders of companies compared to studies of entrepreneurs and nascent entrepreneurs.

One might well ask: why has it been so difficult to obtain a consensus of opinion? One reason might be that perhaps one has examined the individual 'parts' in isolation from the 'whole'. If one considers Checkland and Scholes (1990) soft system methodology in action, and in particular 'human activity systems', where the individual parts of a system assume a different identity and purpose when they became part of a 'whole', one might be on sounder ground for understanding the creative processes involved in pre-entrepreneurship.

There is, therefore, a need to bring together the 'fragmented' findings of the relevant research literature in order to determine whether, when taken together, the fragments of the elements could be put together to make a cohort picture of the

nascent entrepreneur’s creative process. There is a need to establish direct contact with entrepreneurs in order to confirm the proposed theoretical suggestions, and in so doing, fill the gaps that exist in the research literature. Direct contact by having in-depth, face-to-face interviews help to uncover some of the ‘inner processes’ that are involved and thus enhance the understanding of the nascent entrepreneur. This is explored within a ‘holistic’ framework of the phenomenon of entrepreneurship and, in particular, creativity, innovation, and the creative process involved.

There is a need to explore the part the nascent entrepreneur plays in the process, particularly in the discovery of the entrepreneurial idea and its conversion to an opportunity in order to provide a greater understanding of the entrepreneur and how he or she thinks about certain situations. More importantly, information from the in-depth interviews provides fresh evidence surrounding the key processes associated with entrepreneurs who own successful businesses. The aim and objectives of the research study is summarised in Tables 1.5 and 1.6

**Table 1.5   The aim of the research**

- To increase the understanding of how the entrepreneur’s process of creation begins and evolves by determining how ideas and opportunities are discovered, recognised and harnessed prior to the advent of entrepreneurship.

**Table 1.6   The objectives of the research**

- To increase the understanding of how the entrepreneur’s process of creation begins and evolves.
- To determine how ideas and opportunities are discovered, recognised and harnessed prior to the advent of entrepreneurship.
- To identify the key cognitive processes and personal attributes that are involved in the process
- To create a framework to describe how these elements are interrelated.
- To describe the processes involved in entrepreneur’s discovery and evolution of their ideas.
- To compare the content and elements of the framework against the context of a panel of entrepreneurs’ personal histories.
- To monitor selectively any changes to the processes involved after a period of a year.



In addition to the aim and objectives of the research, as a result of carrying out the research it is possible to provide a new synthesis of the research literature as regards various elements that involve entrepreneur’s creativity.

**Figure 1.1      Framework showing the focus of the research objectives**

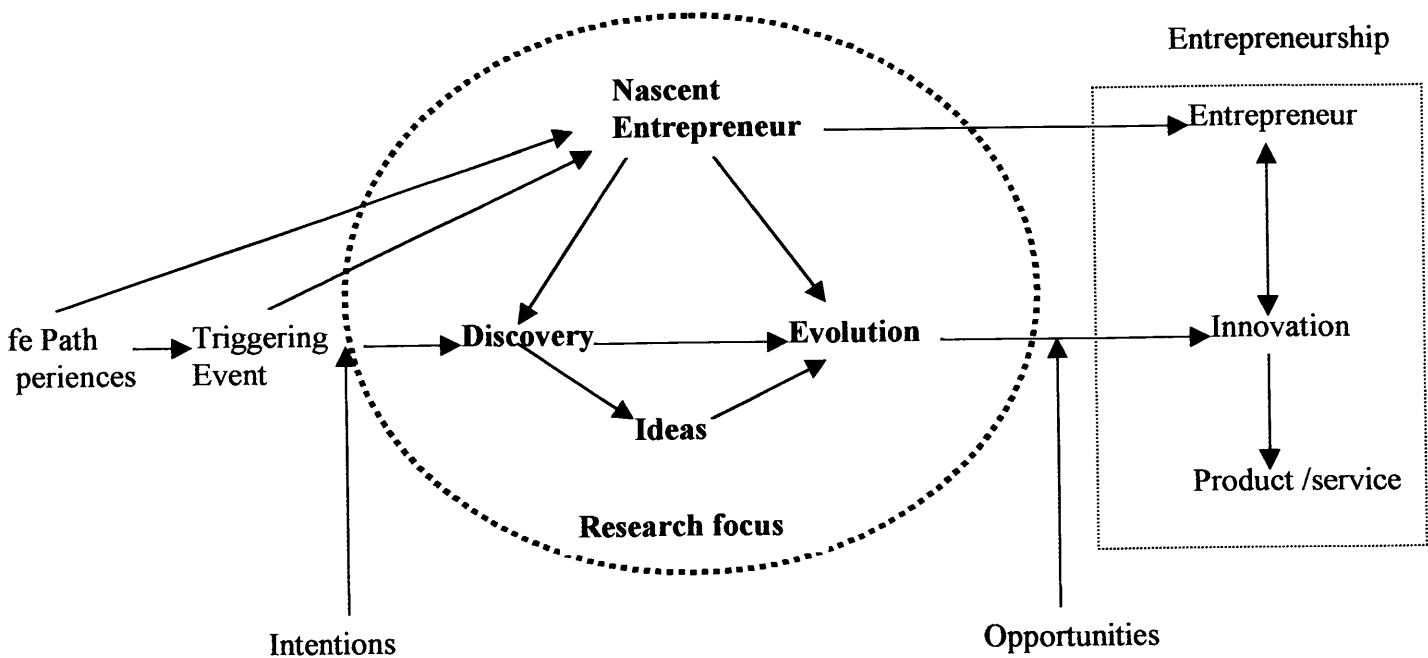


Figure 1.1 describes the main stages involved in the research study. The chapter on the background theory covered the entrepreneur, nascent entrepreneur, life path experiences, triggering event and intentions. The chapter on the focal theory of the research concentrated on the discovery and evolution stages of the entrepreneur’s creative processes.

In order to answer the stated research questions, a qualitative research methodology was utilised. Basically quantitative research emphasised the measurement and analysis of causal relationships between variables, not processes. The method was seldom able to capture the subject’s perspective because it had to rely on more remote, multi-variant statistical methods. The method sought a

nomothetic or etic science based on probabilities derived from the study of large numbers of randomly selected cases.

Qualitative research stressed the socially constructed nature of reality, the intimate relationship between the researcher, the unit of analysis (the entrepreneur), and the situational constraints that shaped inquiry. A major strength of qualitative research methodology was the ability to get closer to the individual's perspective through detailed interviewing and observation.

Data collection of the research was obtained by carrying out a series of in-depth interviews with fifty Scottish entrepreneurs. These interviews concentrated on the entrepreneur's personal histories, in order to identify content analysis, common themes applicable to the research objectives.

Follow-up meetings were carried out with a number (60%) of the entrepreneurs after a period of one year in order to monitor any changes to the themes identified from the first interviews, to provide the research with a further means of validation and to share with the entrepreneurs the preliminary findings from the first interview.

It was considered important, bearing in mind the subject matter of the research, to concentrate on those entrepreneurs whom had been directly responsible for the original creative ideas for their enterprise, and who were also fostering nascent thoughts regarding others.

The entrepreneurs were chosen from various industrial and commercial sectors. As the research was being initially focused on the period of the entrepreneurs' personal histories when they would have been termed nascent entrepreneurs, the different industry and commercial sectors in which they had developed their enterprises did not present a problem.

The remainder of this thesis was organised as follows:

Chapter 2, entitled ‘the entrepreneur and creative processes’, was divided into two main sections, the first described the background theory, and the second, the focal theory of the research. The background theory described the research literature appertaining to the nascent entrepreneur and the entrepreneur, together with extracts from some of the earlier historical research studies, which had a direct bearing on the research objectives. It described the various traits, characteristics, and behaviours of entrepreneurs, and went on to describe a biographical account of a typical entrepreneur. Events that have led to a triggering event and the establishment of the entrepreneur’s intentions to create a business enterprise have been explained.

The focal theory section provided a review of the literature appertaining to the various discovery processes that led to the creative event. It began by describing what was understood by creativity and cognitive processes as appertaining to the prepared mind of the entrepreneur. It examined the elements required for the discovery, recognition, harnessing and evolution of the idea into an opportunity. Research questions that arose from the literature have been listed and addressed. in the findings and discussion chapters of the thesis,

In the background theory, the ‘entrepreneur (history)’ described the entrepreneur from a selected historical background, concentrating on relevant contributions to the objectives of the research.

The ‘entrepreneur’ section explored the research literature on the entrepreneur’s traits, characteristics, psychological, social psychological and behavioural approach in order to understand whom the entrepreneur was. It asked, ‘What were his or her origins?’ and, ‘What did he or she do?’ An understanding of these aspects would help the ‘nascent entrepreneur’ to benchmark his or her own

personal attributes in order to achieve the required mixture of entrepreneurial ingredients to improve his or her own chance of being able to successfully create and develop a successful enterprise.

The ‘nascent entrepreneur’ section explored the biographical background of a typical nascent entrepreneur in order to determine the core attributes, beliefs, social background, and motivational aspects that helped to form the foundation of their future entrepreneurial activities. This could be described as the entrepreneur’s learning phase.

The ‘triggering event’ section was about contemplating ‘change’: change of a lifestyle, circumstance, occupation, dependence, responsibility, resources or way of thinking. This could have been called ‘precipitating event’, ‘role deterioration’, or ‘determining event’, as they all meant the same: namely that change was being contemplated. It described the various critical incidents that can lead to a change in the career path and lifestyle of the entrepreneur.

The ‘entrepreneurial intentions’ section described the stage in the entrepreneur’s mind when he or she really started to focus consciously on the concept of having his or her own business, being independent, controlling his or her own destiny in real terms. They still did not know where, how, or what they intended to do, but they had made within themselves, the stated intention of doing something about it. This started to give the ‘prepared mind’ a sense of direction supported by the entrepreneur’s years of experience and knowledge that had been stored unconsciously.

In the focal theory section, the various elements involved in the discovery phase of the creative process were discussed. It shed light on the difference between ‘innovation’ and ‘creativity’, and illustrated the inter relationship between the person, place, product and the support necessary for creativity, and in particular discovery, to

materialise. It stressed the importance of having the right environment that was conducive for the seed of the creative thought to germinate.

‘Cognitive processes’ gave a brief description of the mental modelling and cognitive processing that played such an intrinsic part in the discovery process. This enabled an appreciation to be made of the multi-faceted processes involved within the entrepreneur, both at the conscious and unconscious level, that had a direct bearing on his or her creative ability. Cognitive maps of the thought processes showed the main inter relationships of the attributes and elements involved, including the important external influences. A description was given of some of the cognitive tools that were employed in different situations and times during the discovery and creative processes.

The ‘prepared mind’ represented the cumulation of many elements involved in the search for, recognition of, and the harnessing of the nascent entrepreneur’s idea. The main elements covered in this section were serendipity, internal control, activation, recognition, intuition, insight, knowledge, experience, and personal attributes.

‘Ideas’ recognised that the discovery of the idea and its crystallisation into an opportunity constituted the epicentre of the entrepreneur’s creative process and, as such, was central to this research study. A framework was provided that illustrated the various elements and attributes that were involved interactively in this holistic process.

The ‘processes involved in the transformation of an idea into an opportunity’ section described the techniques of visualisation, goal-setting and the various stages involved in the crystallisation process. The importance of having quality thinking times and space for the evolution process was explained.

‘Opportunities’ described the different set of thinking processes involved before qualification to enter the innovation stage of entrepreneurship. It highlighted various aspects that needed to be considered including risk, benefits, emotional implications, perceptual problems, financial, and environmental issues and the all-important availability of resources.

The ‘entrepreneur and creative processes’ chapter ended with a number of research questions that arose from the key issues raised in the research literature. These were later examined along with the data from the entrepreneur’s own personal histories in order to determine any generic themes. These themes enhanced the understanding of the entrepreneurs’ mental modelling approach to the discovery and evaluation of their ideas and through this understanding, will encourage other nascent entrepreneurs to create their own entrepreneurial enterprises

RQ 1 Does having a ‘prepared mind’ constitute an important factor in the discovery of ideas?

RQ 2 Do ideas ever occur by chance? If so, how many and in what context?

RQ 3 Does intuition and gut feeling play an important part in the entrepreneurs’ decision taking?

RQ 4 Does it appear that having self-belief and self-efficacy forms an important basis of having confidence and ability to make decisions?

RQ 5 Do sense of values and principles formed in early life help to establish standards of business behaviour?

RQ 6 Does having special thinking places and quality thinking time help to develop the ability to harness and crystallise ideas into opportunities?

RQ 7 Do many of the entrepreneurs use visualisation and rehearsal techniques in order to achieve their objectives?

**RQ 8 Does the use of goal-setting techniques help to achieve business objectives?**

In Chapter 3 the research methodology selected was discussed. Reasons for selecting a qualitative rather than a quantitative research methodology were presented. Various methods have been commented upon before focusing on the benefits of using the method of in-depth interviewing.

The ‘data-collection’ procedure was then detailed including the method of selecting the panel of entrepreneurs. Potential problem areas prior to conducting any interviews were identified and discussed. A description of the outcome of the pilot interviews has been given and followed with the procedures adopted during the in-depth interviewing, data collection and data analysis.

Chapter 4, entitled ‘research finding’, outlines the variables, derived from the key elements of the background and focal theories, which are then arranged into relevant clusters and used to form the basis of this inquiry. These are then used in conjunction with the content analysis of each of the entrepreneurs’ personal histories to produce verbatim extracts that were considered relevant to each variable.

The research findings and supporting relevant extracts from the entrepreneurs’ various personal histories are then analysed in order to address the research aims and objectives as well as the research questions arising from the literature review. The findings are then used to support the generic variables considered germane to the main research objectives.

Chapter 5, entitled ‘discussion’, evaluates and interprets the relevant research literature and the research findings. It starts with an overview of the research study, which analyses the gaps in the literature and comments on the originality of the research approach. The aim, objectives and research questions are then restated

followed by a section entitled ‘modus operandi,’ which sets out the reasoning behind the structure and content of the study.

A section entitled ‘evaluation of the research findings and the generic themes’ follows this, which evaluates the commencement of the process of creativity, followed by the important triggering event, which brings the process to life. Some of the more important core attributes are then discussed.

A section entitled ‘discovery’ evaluates the findings relating to this aspect of the process and gives constructive comments on what can be learned from the observations. Where appropriate, the findings are compared with relevant research theories.

The next section entitled ‘inner processes’ evaluates the relevant research findings and compares the findings with the appropriate theories from the research literature.

A section entitled ‘ideas’ follows this, which evaluates the findings of the clusters of variables concerning the origin, adoption, rejection and incubation of entrepreneurial ideas.

The final section entitled ‘entrepreneurs’ beliefs’ evaluates and interprets the generic themes that arise from the entrepreneurs’ personal histories, comparing the findings with the appropriate research theories from the literature.

The chapter concludes with some observations on how the findings could be used to enhance the mental modelling capability of other nascent entrepreneurs.

Chapter 6, entitled ‘conclusions’, summarises the main findings from the research study in relation to the research aim and objectives. From the common generic themes that have been established, a tentative template has been produced as being illustrative of the creative entrepreneur. The strengths and weaknesses of the



research study are then discussed. Implications of the research for entrepreneurs, policy-makers and practitioners are detailed as well as recommendations for establishing a 'can-do' attitude. Finally, recommendations are made for further work in connection with researching the mental process involved in growing a successful enterprise.

The appendices include: vignettes of each of the entrepreneurs involved in the research study in order to give some background on each individual, without invalidating the confidential assurances given to each entrepreneur, copies of the original letters asking for an interview, the briefs that were followed in carrying out the interviews as well as the follow-up meetings.

## **Chapter 2**

### **The entrepreneur and creative processes**

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### **2. The entrepreneur and creative processes**

#### **Introduction**

This chapter is divided into two main sections, the first described the background theory, and the second, the focal theory of the research. The background theory described the research literature appertaining to the nascent entrepreneur and the entrepreneur, together with extracts from some of the earlier historical research studies, which had a direct bearing on the research objectives. It described the various traits, characteristics, and behaviours of entrepreneurs and went on to describe a biographical account of a typical entrepreneur. Events that can lead to the triggering event and the creation of the background leading to the establishment of the nascent entrepreneur's intentions to create a business enterprise have been explained.

The focal theory section provided a review of the literature appertaining to the various discovery processes leading to the creative event. It began by describing what was understood by creativity and cognitive processes as appertaining to the prepared mind of the entrepreneur. It examined the elements required for the discovery, recognition, harnessing and evolution of the idea into an opportunity. The chapter concluded with a number of research questions that arose from the literature that required to be addressed.

#### **2.1 Background theory**

##### **2.1.1 Entrepreneur (history)**

The German sociologist Max Weber (1930) was perhaps the first theorist to indicate that ideological values lead directly to entrepreneurial behaviour. Weber developed a multi-dimensional model of economic and social conditions. An

important social aspect of Weber's model was the *Protestant Work Ethic*, which demanded a life of good works and the avoidance of spontaneous impulsive, self-enjoyment. This belief in a life of good works produced an intensive exertion in occupational pursuits. According to Weber, the Protestant work ethic became the driving force behind entrepreneurial activities and behaviours, providing entrepreneurs with a clear conscience in their ruthless exploitation of workers through capitalism because ecclesiastical discipline controlled the workers' lives. He was of the opinion that entrepreneurial activity and the religious foundations of Calvinism reinforce behaviour. Weber had the concept of the entrepreneur as the ultimate source of all formal authority within the organisation. He identified the value system as a fundamental element in explaining entrepreneurial behaviour, and viewed entrepreneurs as innovators (Nafziger 1983; Jennings 1994).

It was Schumpeter (1928, 1934) who really launched the field of entrepreneurship by associating it clearly with innovation.

'The essence of entrepreneurship lies in the perception and exploitation of new opportunities in the realm of business ... it always has to do with bringing about a different use of national resources in that they are withdrawn from their traditional employ and subjected to new combinations' (Schumpeter 1928). Schumpeter was the architect of a theory of economic development in which the entrepreneur was central. The entrepreneur's role was to disturb the economic status quo through innovations. He stated 'everyone is an entrepreneur only when he actually "carries out new combinations", and loses that character as soon as he has built up his business, when he settles down to running it as other people run their businesses.' (Schumpeter 1934: 78). Risk falls on the capitalist, not the entrepreneur, and profit is both the price and

payment for the services rendered by the entrepreneur. He stated that entrepreneurs 'may also be capitalists, managers, or inventors, but as entrepreneurs they provide a recombination of pre-existing factors of production where the outcome of this recombination cannot be clearly predicted'. Schumpeter (1947) stated that it took an individual who possessed unusual traits and a will to 'found a private kingdom, a drive to overcome obstacles, a joy in creating, and satisfaction in exercising one's ingenuity' to become an entrepreneur.

Cole (1959) advocated the entrepreneur as essentially an 'organisation builder'. He also defined entrepreneurship as 'the purposeful activity (including an integrated sequence of decisions) of an individual or group of associated individuals, undertaken to initiate, maintain, or aggrandise a profit -orientated business unit for the production or distribution of economic goods and services.' (Deeks 1976; Ronstadt 1984; Jennings 1994)

In the 1950's McClelland (1953, 1961, 1971) decided to study history for explanations of the existence of the great civilisations. This in turn led him to identify the presence of heroes in literature whom subsequent generations took as models and tended to imitate in their behaviour. In particular, these heroes overcame obstacles and extended the limits of the possible. McClelland deduced that people trained under this influence developed a very high need for achievement and he associated this need with entrepreneurs. Although he was strongly associated with the field of entrepreneurship, a careful reading of his writings showed that he never made a connection between the need for achievement and the decision to launch, own or even manage a business (Brockhaus 1982).

In developing a measure for the need for achievement (nAch), McClelland believed that fantasy was the best way to assess motives, and used the Thematic Apperception Test (TAT). By performing correlation studies in the laboratory, he concluded that the individual with a high nAch, as determined by the TAT, tended to exhibit the following behavioural traits: taking personal responsibility for finding solutions to problems, setting moderate achievement goals, taking calculated risks, and requiring concrete feedback.

While McClelland's research influenced a large number of subsequent researchers to use nAch as a distinguishing entrepreneurial behavioural characteristic, a definite link between achievement motivation and entrepreneurial success has not yet been established (Gartner 1985: Brockhaus and Horwitz 1986). Furthermore, McClelland's research has been criticised by psychologists for his measurement of nAch, by economists for his analysis of economic development, and by researchers in entrepreneurship for his definition of the entrepreneur (Klinger 1980: Johnson 1990).

Re-reading McClelland's work in the present economic climate one could argue that a number of the criticisms might be unfounded. His empirical approach by studying the learning habits of young people, and the use of 'learning books' in order to encourage the need for achievement, has now been mirrored and adopted in educational establishments all over the country. The encouragement of the 'enterprise culture' in universities and colleges in order to instigate and encourage entrepreneurial tendencies, contains a very high 'nAch' element. The acceptance of the importance of entrepreneurship as a means of driving the economy again follows McClelland's firm beliefs. The criticisms of his research using 'electricity

consumption' as a means of evaluating economic growth, appeared to have been a reasonable, simple-to-measure and comparable method at the time. Of course, one now has other alternatives to juggle with: the expansion in the new housing market, an analysis of consumer spending and the variations of the unemployment figures.

Entrepreneurs were described as being 'unable to relate to family and peers, not remarkably likeable people, being unwilling and unable to submit or work with authority' by Collins and Moore (1970). They made a distinction between an independent innovating entrepreneur and the bureaucratic entrepreneur.

'While the functions performed may be the same once the business has been established, nonetheless there is a world of difference between the creation of a business enterprise and climbing a hierarchical ladder within an already well-established structure'.

'When we use the term entrepreneur, we mean the innovating entrepreneur who has developed an on-going business activity where none existed before.' (Collins et al 1964: 19)

They also made the observation that entrepreneurs could not live comfortably in a bureaucratic organisation unless they headed it, and that they had difficulties in relinquishing possession of authority and in forming long-lived partnerships. Their entrepreneurial stories were often linked to an early crisis or dramatic event - frequently an economic crisis - a dangerous and difficult situation from which the entrepreneur could survive only by relying on him or herself.

The need for the successful entrepreneur to synchronise inputs from several different markets was emphasised by Leibenstein (1968):

‘If six inputs were needed to bring to fruition a firm that produces a marketable product, it did no good to be able to market five of them. The gap-filling and the input-completing capacities were the unique characteristics of the entrepreneur.’ Leibenstein was credited with the x -efficiency theory, that draws the distinction between allocative efficiency (the efficiency with which resources and factors of production are combined to satisfy effective demand in the economy) and other sources of efficiency, and in so doing provided the motive for entrepreneurial opportunity. He considered that the entrepreneur had four main characteristics: the rare capability of making up for market deficiencies, or gap filling; the ability to connect different markets; an ‘input completer’; and finally, the entrepreneur created or expanded firms (Carland et al. 1984).

Hagen (1960) developed a well-respected theory of social change that described how economic growth began. He argued that value systems, different from those of the mainstream of society, led to unconventional patterns of behaviour. In certain instances, entrepreneurship became one of those unconventional patterns. He conceptualised that a society created certain traditional values that arose from its child- rearing practices. Particular segments of the population without these same values tended to experience deterioration in status, which in turn caused a psychosocial disequilibrium, that led to rejection by society, and or, the development of low self-esteem. A chain reaction followed, leading to anger, anxiety, and a retreat from most normal behaviour patterns. The individual must then find new, innovative modes of behaviour in order to integrate with society, which may be manifested in creative, entrepreneurial activity (Jennings 1994).



An interesting comparison of the entrepreneurs' environment with the 'hellalump', has been portrayed by Kilby (1971) - "the hellalump's habitat and range.... A valley of macroeconomic supply and demand functions, the riverbank of childhood socialisation, experiences of social marginality and the treacherous canyons of political constraints on economic decision making" - paints a somewhat realistic picture of the real world and its environmental influences (Harwood, 1982).

Shackle's (1970, 1979) theories identified imagination and creativity. He stressed the themes of creativity and imagination as being essential attributes of enterprise. The theoretical framework he developed examined the nature of the entrepreneurial process, through its reconciliation of the imaginative nature of decision making, innovation and creativity. He favoured the process-based approach, which provides insight into the sequential nature of the decision making process. He was stressing the point that any process of business planning cannot be directed at actual knowledge of what was to come but merely towards one's imagination of how events were likely to unfold (Batstone and Pheby, 1996 p.35-51).

Chell et al (1991) commented that the main concern expressed by Shackle was the psychic act of decision making in conditions of bounded uncertainty. Shackle considered that the entrepreneurs imbued their sensory impressions with meanings and through this act of imagination, they perceived the potential of situations and resources at their disposal, characteristically gambling on their imagination (Chell et al. 1991).

Shackle preferred the term 'enterpriser' to 'entrepreneur' and he looked upon investment as a 'creative act'. The creation of an environment by entrepreneurs that give rise to uncertain outcomes is pursued by Shackle as an innovating process by the

enterpriser. He emphasised that one cannot know the future and that the past often offers little guidance. One can only imagine futures and in so doing 'men's imagination' shows them more often, not places to get to but directions in which to travel (Shackle 1966 p.108; 1970 p.93).

Shackle also believed that enterprise was linked to action. Indeed, it may be defined as 'action in pursuit of imagination'. Action is premised not on exclusive knowledge, but on anticipated outcomes, where the anticipation is guided by more than just reason. The imagination and the practical conscience of the entrepreneur guide it. 'So long as there can be novelty, knowledge was not complete' (Shackle 1970 p.93). The entrepreneur must make his decisions on the basis of imagination alone, since at the moment of decision, the enterprise itself was but a thought. Hence the test of an enterprise really lay in the mind of the entrepreneur. This required the skilled exercise of judgement to succeed. Shackle claimed that 'in judging what is possible and what is tolerable, entrepreneurs were guided by what one would call their practical conscience, their instinct for avoiding those acts which seem to endanger their enterprise's survival. These practical consciences enabled entrepreneurs to conceive only such sequels to their present action as were congruent with the way they have seen the world to work' (Shackle 1970, p.97; 1979, p.140)

'The task of describing the thought processes of entrepreneurs was like the painter explaining the composition of a picture, in that the selection and arrangement of parts arises out of individual circumstance, habit, and experience. One should be able to have recognised the high level of skill, which the majority of the most highly inspired and creative artists have exhibited. Their training was not the direct source of creativity, but without a set of skills and tools to draw on, the most creative of artists would probably have found their creative output artificially constrained.' (Shackle

1970, p104) In the same way, the potentially gifted entrepreneurs needed a set of tools and techniques at their disposal if they were to make the most of their full range of abilities.

One of Kirzner’s (1982) definitions of entrepreneurship was an ‘alertness to profit opportunities’. He quoted - ‘Entrepreneurial profit opportunities existed where people do not know what they do not know, and do not know that they do not know it. The entrepreneurial function was to notice what people have overlooked’. In the discovery phase of the entrepreneur’s creative process, this was one of the most important attributes.

Kirzner (1980) offered a theory of entrepreneurial alertness that posited an environment of ongoing economic disequilibrium held in bounds by the continual efforts of entrepreneurs to fill in the discontinuities through discovery and exploitation of opportunity for personal gain.

**Table 2.1 Historical focus on the role of the entrepreneur**

<b>Roles</b>	<b>Authors</b>
Speculator role	Cantillon (1931)
Co-ordinator role	Say (1803); Walrus (1954)
Arbitrageur role	Kirzner (1973,1982); Walrus (1954)
Mercantile function	Dobb (1926)
Innovator	Schumpeter (1934,1947)
Owner/capitalist	Hawley (1927); Fisher (1910)
Change agent	Casson (1982)
Risk bearer	Knight (1921)
Creator	Shackle (1970,1979)
Detector	Penrose (1968)
Informer	Hayck (1937)

Table 2.1 summarised the various roles attributed to entrepreneurs from the historical context.

### **2.1.2. The entrepreneur**

In understanding the entrepreneur, one approach taken from psychology was to develop an appreciation of who the entrepreneur was by focusing on a set of personality traits and characteristics. Another approach was to consider the social context, the origins, in which the entrepreneur was embedded and which would have had an influence on his or her potential for success in the creation and development of the enterprise. Entrepreneurship was not an activity conducted in isolation but was practised in the midst of an often dynamic environment, which impacted on the entrepreneurial effort. The behavioural approach provided yet another way of understanding the entrepreneur and entrepreneurship. This approach viewed the entrepreneur in terms of a set of activities associated with the creation and development of his or her entrepreneurial enterprise. In this instance, the focus was more on what entrepreneurs did, rather than how well they did it.

The debate on the supremacy of the different approaches continues and each approach had its champions. All three approaches contributed significantly, in their own way, to the enhancement an understanding of who the entrepreneur was and what he or she did. No one approach had the definitive answer, but together they brought one close to some degree of clarity (Gartner, 1988).

**Table 2.2 Recent definitions of entrepreneurs (Filion 1997, p.11)**

Researchers	Definition
Economists	Entrepreneurs are associated with innovation, and are seen as the driving force of development.
Behaviourists	Entrepreneurs have creativity, persistence, locus of control and leadership
Engineers	Entrepreneurs as good distributors and co-ordinators of resources
Financial specialists	Entrepreneurs are people able to measure risk
Management specialists	Entrepreneurs are resourceful and good organisers develop guidelines or visions around which they organise their activities and excel at organising and using resources
Marketing specialists	Entrepreneurs are people who identify opportunities, differentiate themselves and adopt customer-oriented thinking.

In Table 2.2 Filion, (1997) gave an excellent summary on the ‘coats of many colours’ which were attributed to entrepreneurs by various professional bodies.

**2.1.2.1. Psychological approach**

The approaches offered by trait theorists to understanding entrepreneurship focus on the personality, or psychological makeup, of the individual entrepreneur. The presumption was that he or she projected a particular personality type. Researchers have therefore sought to identify and extract those personality traits which might have been considered to be uniquely entrepreneurial (Brockhaus 1980,1982; Brockhaus and Horwitz 1986; Meredith et al. 1982; Mischel 1968,1973; Timmons 1989). They then sought to categorise and organise them like pieces of a jigsaw puzzle that came together over a period and in a way that ultimately revealed a person who saw what others cannot, and did what others would not dare. Successive research projects, by applying personality theory, have sought to identify and measure

the personality traits. A good deal of criticism had been levelled against the trait and personality attribute approaches for a number of reasons (Chell 1985; Chell et al. 1991; Chell and Haworth 1987; Ray and Myers 1986; Carsud et al. 1985; Gartner 1990). One problem was their apparent inability to differentiate clearly between entrepreneurs and equally successful professional executives in more established organisations.

A further criticism against trait theorists related to the emphasis they had placed on identifying the supposed key trait that was most characteristic of the entrepreneur. The single trait approach sought to identify and prioritise the aspects of a person's personality that were deemed to be particularly entrepreneurial (Chell and Haworth 1987; Ray 1986).

Table 2.3 showed the various factors that have been cited by researchers over the years as being typically entrepreneurial. The list, which was not exhaustive, had been compiled from various research papers.

**Table 2.3 Factors deemed to be typically entrepreneurial**

<b>Factor</b>	<b>Researcher</b>
Need for achievement	(McClelland 1961; Liles 1974; Hornaday and Aboud 1971; Komives 1972).
Need for power	(Winter 1973).
Personal responsibility	(Welsh and White 1981).
Commitment, determination and persistence	(Gatewood et al. 1995).
Internal locus of control	(Rotter 1966; Borland 1974; Levenson 1973; Cromie and Johns 1983 ; Brockhaus and Horwitz 1986).
Propensity to take risks	(Casson 1982; Gibb 1987; Jacobowitz and Vilder 1982 ; Timmons et al.1985).
High tolerance of uncertainty and ambiguity	( Schere1982).
Sense of humour	(Koestler 1970)
Personal values	(Gasse 1977; Gartner 1989).

It was suggested that trait theories needed to recognise that entrepreneurship was a dynamic, constantly changing process. As the venture developed and grew over its life cycle, new challenges with attendant levels of instability and lack of predictability emerged. These had implications for the entrepreneurial personality. The entrepreneur was required to adapt continuously and change his or her psychological frame of mind and outlook as the enterprise itself grew and changed. There was clearly a need to define and redefine entrepreneurial characteristics

according to the stage of development the entrepreneur and the enterprise had reached (Chell 1985 ; Ray 1993).

A further problem with the trait theorists approach, was the apparent implication that one either already had entrepreneurial traits or one had not, as a result of one's upbringing and a lifetime's influence from education, religion, socialisation and culture. The argument appears to be that the fundamental building blocks of one's personality were formed during the early, more formative years of one's life. These values and attitudes remained constant during later life, even in the face of subsequent changes in circumstances. Having been inculcated in the individual over a lifetime it was unlikely that they could be developed at some later stage in any effective way (Ray 1993; Katz 1992).

Part of the problem with trait approaches arose from how the entrepreneur and entrepreneurship were defined. In the first instance, a focus only on the individual who established a new venture was arguably too narrow. It failed to recognise sufficiently the entrepreneurial potential of people who worked to develop and grow established enterprises. In addition, there was the difficulty raised by the fact that entrepreneurs were not an easily identifiable, homogeneous group. Entrepreneurs, it appears, came in all shapes and sizes, from different backgrounds, with varying motivations and aspirations. They were variously represented and addressed in the literature as opportunists or craft-workers, technical entrepreneurs or so-called intrapreneurs (Woo et.al.1988; Hornaday 1990)

A point of importance to note was that aspects of the entrepreneurial personality could be developed in order to improve the prospects of greater entrepreneurial success. One view was that personalities continued to change and develop as a consequence of personal experiences and the changing nature of social



relationships. It was recognised that basic traits may well be formed in early life, but it was also acknowledged that experiences in later life could also play a role in shaping the personality and influencing a person's ideas and ambitions for an entrepreneurial career.

The value of trait approaches, despite having been the subject of continuing debate, must be recognised. It was clear that the psychological perspective of entrepreneurship research, in emphasising the intrinsic personality characteristics of entrepreneurs, has made and continued to make, valuable contributions to the current understanding of entrepreneurs and their distinct role in the creation of new enterprises (Chell and Haworth 1992; Ray 1986)

#### **2.1.2.2. Social psychological approach (the origins of the entrepreneur)**

The social psychological perspective defined those external factors that acted as potential stimulants to entrepreneurial activity. This approach placed entrepreneurship within the wider social environment. It acknowledged the influence of numerous social factors on the propensity of an individual to behave entrepreneurially and to do so continuously. Examples of such factors were family and social background, education, religion, culture, work and general life experiences. As a widening of the psychological perspective, this approach saw the entrepreneur as being embedded in a complex set of social networks. These would either have facilitated or hindered the potential of the individual to launch new ventures or further develop an existing one (Dickie-Clarke 1966; Stanworth and Curran 1973; Scase and Goffee 1980).

They did this in a number of ways. In the first instance the social background in which the individual was embedded was a key determining factor of her or his personality. In addition, the social context of the entrepreneur provided the link

between the entrepreneur, the opportunity identified and the resources needed to exploit it. This development of skills and use of social networking allowed the entrepreneur to build an appropriate profile within society for the entrepreneurial role he or she wished to play (Carsrud et. al. 1985; Birley 1985).

Social marginality theory suggested that when inconsistency exists between an individual's personality and the role he or she played in society, he or she may be prompted to act to resolve that inconsistency. The pull of assuming a more attractive role in society, and the push to do something about the inconsistency acted like a catalyst. Such effort to acquire a desired profile or role in society, however, may well have acted ultimately as a brake on continued entrepreneurial effort. The possibility of compromising one's hard-earned standing in society may prompt the individual to adopt a style of entrepreneurship that is less growth-focused, with all the risk and uncertainty that attends it (Dickie- Clarke 1966; Stanworth and Curran 1973; Scase and Goffee 1980; Woo et al. 1988).

Kets de Vries (1977) saw entrepreneurs very much as a product of their upbringing. His entrepreneurial individual emerged as a deviant personality – rebellious, insecure, a person of low self-esteem, one who could not work in a structured environment, who resented authority and almost as an act of defiance established, by extraordinary effort and fear of failure, a commercial enterprise. As a product of his or her upbringing, he or she then ran this venture with great energy and determination and high self-reliance, and thus had low dependence on others. This approach could have a number of outcomes. Either the enterprise would continue to grow until it became too large to be managed effectively by one person, when it would ultimately collapse, or be forcefully taken over by others. Or the entrepreneur

would undergo what was in effect a difficult personality change and learned to trust and share (Kets de Vries 1977).

**2.1.2.3. Behavioural approaches (what the entrepreneur does)**

The behaviour approach added to the understanding of the entrepreneur actions. In addition to having some idea of who the entrepreneur was and the factors in his or her background that influenced his or her personal development and decisions, one needed to ask: what did entrepreneurs do? One needed some insight into how they thought, what actions they took, and how did they go about creating and developing an enterprise. The focus was on understanding how attitudes, behaviours, management skills and know-how, past experience and so on, all combined in determining entrepreneurial success (Gartner 1985; Van de Ven 1992; Kent et al. 1991; Peterson and Ronstadt 1987; Mitton 1984).

A number of authors had suggested that successful entrepreneurs shared a number of common behaviours and attitudes. Table 2.4 listed these behaviours and attitudes.

**Table 2.4 Entrepreneurs’ common behaviours and attitudes.**

Work extremely hard
Have unlimited energy
Work with commitment and determination
Work with competitive zeal
Have ambition to excel and win
Thrive in situations of constant change
Work to succeed
Every setback provides lessons for the future
Moves with confidence and certainty
Have flair for creativity and innovation
Are driven by opportunity and attendant change
Are able to exploit opportunities
Have ability to take decisions
Are able to judge the value of decisions
Have a wide range of personal contacts
Have a broad portfolio of competencies
(Timmons 1978; Birley 1985; Mitton 1984; Dubine and Aldrich 1991)

It was clear from the literature, that in an effort to understand the entrepreneur, a number of approaches have been attempted. The psychological approach, which focused on a set of personality traits and characteristics that might have been considered to be uniquely entrepreneurial, had some merit as long as it was not taken in isolation to other approaches. The view that those personalities changed and developed as a consequence of personal experiences and social relationships appeared to be well founded.

The social psychological perspective approach that defined those external factors which acted as stimulants to entrepreneurial activity, appeared to place entrepreneurship within a wider social environment. Examples of this were their family and social background, education, religion, culture, work and general life experiences. As a widening of the psychological perspective, this approach suggested the entrepreneur as being embedded in a complex set of social networks and as such, these factors either facilitated or hindered the nascent entrepreneur to launch their entrepreneurial venture.

The strength of the behavioural approach would appear to be that it added to the understanding of the entrepreneur actions. The key to being able to understand what entrepreneurs did required some insight into how they thought, what actions they took and how they went about creating and developing an enterprise. The focus must be on understanding how attitudes, behaviours, management skills and know-how, past experience and so on all combined in determining entrepreneurial success. An appraisal of entrepreneurs' personal histories could provide a source of rich data that can help to provide this understanding.

In the analyses of the trait, behavioural and social psychological aspects of the entrepreneur one runs up against the current debate about paradigms, pluralism and

incommensurability (Scherer, (1998). Incommensurability is defined as having no common measure and implies that various paradigms are not comparable. It is difficult to generalise on the justification of this viewpoint which can promote isolationism and protects theories from competition and disconfirmation in empirical tests. Researchers have had different experiences, world-views, language, know-how and competing interests and hence have different conclusions about points of view. I believe in the multiparadigm perspective, which argues that a continuing dialogue between paradigms is possible. As paradigms are not entirely isolated from each other such a dialogue is seen as being necessary to advance knowledge. Also it would lead to more comprehensive explanations and understanding of social phenomena (Giola and Pitre, 1990).

All three approaches appear to contribute significantly in their own way to enhancing our understanding of who the entrepreneur is and what he or she does. No one approach can supply the definitive answer but together they can bring one closer to some degree of clarity on the topic.

### **2.1.3. The nascent entrepreneur**

This section explored the biographical background of the nascent entrepreneur.

The biographical background, the early personal life history, of nascent entrepreneurs provided the structure, composition, values, character and basic attitudes, that established their 'core' attributes. It was unlikely that in the future course of their lives these core attributes would fundamentally change. Family relationships, childhood experiences, failures, frustrations, successes and achievements all contributed to the entrepreneurs' sense of values, self esteem, and self awareness. This, in turn, established their self-efficacy, beliefs and confidence.

These attributes were consolidated still further as a result of experiences in educational and work environments. The acceptance and fulfilment of everyday challenges, the ability to learn from failures, the ability to bounce back from setback, all became building blocks for the future, in particular, the individual's propensity for creative fulfilment (Ray 1993; Katz 1992).

From a very early age, the nascent entrepreneurs set targets for themselves, usually over a short time scale. They also set longer-term goals and sub-goals, perhaps with the encouragement of their family and friends, and these helped to give them direction and a purpose in life. Success in goal achievement gave them confidence to tackle even more ambitious goals. The overcoming of setbacks and other trials in life helped to develop their characters and the entrepreneurs' ability to persevere, in particular, when the going got tough (Reynolds 1993).

People seemed to be born with various levels of creative energy. During the course of their adolescence, this energy was usually 'channelled' in some direction or another, in many cases, it was usually widely dispersed. The ability to focus, channel, efficiently direct and utilise this creative energy, came through practice and training, and was maintained and encouraged, mainly as a result of the adoption of a positive attitude to life and having a high degree of perseverance. In bodily functions, energy was directed and used whenever and wherever it was required, acting as a 'task force'. Although cultivated and encouraged, the body had at any one time, a pre-determined level of energy. If it was not completely utilised in one activity, the balance was held in reserve, and made available for another. When someone was on a strict diet or fast, the energy previously used in conjunction with the body's digestive system could be diverted in order to increase the mental and other functions of the brain. As a result of

this, the person became more mentally alert, active, and able to absorb and retain information more readily (Maciocia 1994; Kaptchuk 1983).

It appeared that this ability to channel energy when and where it was required was an important key to the development of the entrepreneur's creative processes. The earlier in the individual's life that this ability could be fashioned, harnessed and utilised, the greater the benefit to them in later life. Most successful entrepreneurs had the ability to call upon, harness and focus this energy at will, and in such a way that they could achieve their goals and objectives.

In addition to having control of this 'directable' energy, it was also necessary to have a 'spur', an inclination, a motivation - the driving force for achievement. In many cases, this originated from having suffered some time earlier in life, put downs disappointments or failures, which invariably left them with having 'chips on their shoulders'. These 'setbacks' had the effect of fostering in the individuals a strong desire to prove to themselves and others 'that all is not wrong'. It bred within them an 'I will show them' attitude, perhaps even a 'revenge' motive. Whatever the principle reason, it did provide a very strong, directed, driving force. In other cases it could just have been a driving ambition to get on in life and prove that they were better, or as good, as the next person.

Needs, also, provided motivation: the need to be independent, to make a contribution to the family budget, to pay for their own clothes, to be self-sufficient, certainly as far as the necessities in life were concerned. These needs drove many of the nascent entrepreneurs to have part-time jobs and paper rounds, to sell second hand goods and cars, to take part in boot sales and other money-raising functions. Many did this while still at school, and for many, this became their first experience of the

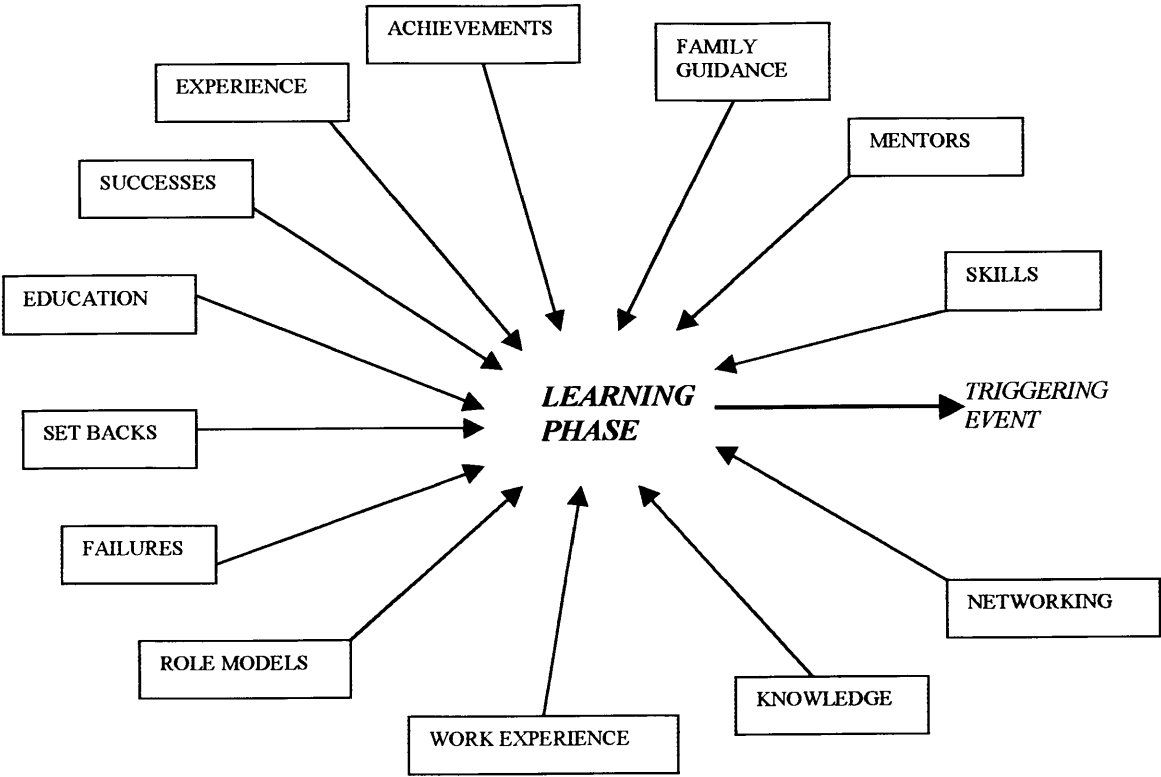
commercial world. For others, it was the start of their 'entrepreneurial tendencies', and created in them the first taste for business adventure (Locke 1991; Shapiro 1984).

In early adolescence many nascent entrepreneurs appeared to fantasise about having their own business one day. Most did not know what kind of business they were interested in, or if they did, it changed quite regularly in the passage of time. They were also not able to forecast as to when it would happen - just that they were convinced that it would happen 'one day'. They realised that there were many lessons still to be learned in life before they embarked on the additional trials and tribulations of business life on their own account. Perhaps the adage of 'cutting one's teeth' at someone else's expense was also relevant. Once upon a time, it was considered that the best and safest career was to learn a trade, or go into the professions. Have a steady job, and then the course would be 'set fair' for them for the rest of their adult working life, with the added benefit of a pension at the end of it. The world has now changed, nothing can now be taken for granted, and one has to be mobile, flexible, and adaptable. It was in this sort of social and economic environment that the nascent-entrepreneur had to earn his or her 'spurs' before embarking on his or her entrepreneurial creation.

Figure 2.1 listed the key elements from the research literature that were involved in the nascent entrepreneur's learning phase and helped to form the foundation of their future entrepreneurial activities.



**Figure 2.1 Framework of the nascent entrepreneur’s learning phase**



**2.1.4. Triggering event**

This section was all about contemplating ‘change’, change of a lifestyle, circumstance, occupation, dependence, responsibility, resources, and way of thinking. The section could have been called precipitating event, role deterioration or determining event, as they all meant the same i.e., change was being contemplated.

A ‘triggering event’ typically activated the pre-entrepreneurship process (Quinn 1985; Moore 1986). The demographic paradigm concentrated on the background and lifestyle of the nascent entrepreneur and sought to explain success in terms of the trigger events, which led to self-employment (Cooper et al. 1988; Shapero 1984; Birley 1989). The decision to be entrepreneurial was probably a

complex interaction between attributes and the situation faced by the individual (Birley 1989). Several factors denoted a challenge of accepted routine e.g. the 'eureka syndrome', the 'if only syndrome', the 'misfit syndrome', as well as the 'moonlighter syndrome'. The adoption of the entrepreneurial role could be a behavioural response to a perceived marginal situation. This did not mean that all socially marginal individuals became independent entrepreneurs; however they could experience what was known as 'role deterioration'. In other words, they were no longer able to fulfil the role in which they previously saw themselves (Bruce 1976:48-49).

Role deterioration was a painful experience for these nascent entrepreneurs. They were cut loose from established points of contact with society and they had to take some important decisions regarding the future. They were still, however, influenced by their life experiences, background and their education, and these all affected their reactions to the event, which caused the role deterioration and social marginality. Everybody has had unpleasant experiences, setbacks and upsets were not unique to entrepreneurs. But it was the reaction to these experiences that was important, not necessarily the events themselves. The individuals who lost their job may solve the problem by finding another job. According to Collins et al. (1964) entrepreneurs frequently found conventional solutions to their problems.

The determining event could occur at any time in the nascent entrepreneur's life, although if it was to have a lasting effect and lead to his or her involvement in his or her own business, it was likely that it would occur more frequently either in late childhood, adolescence, or early adulthood (Schein 1974).

It may be assumed that the opportunity to become involved in starting an entrepreneurial-based enterprise evolved incrementally from one stage of the career life cycle to the next. But the avenue to an entrepreneurial enterprise might have been

precipitated by a non-incremental event. These less predictable events were normally beyond the control or influence of the individual, but, nonetheless, created a window (maybe strategic) to become involved entrepreneurially. Such events as involuntary termination of employment, death in the family, inheritance or divorce, could create career vacuums that can instigate an awareness of the need to look for an entrepreneurial opportunity (Harvey and Evans 1995). The loss of one's job had obvious consequences, for example : a negative impact on self-image, restructured social networks, and decreased, if not eliminated, income flow, among others. But the event also created a critical juncture in a career life-cycle. The stress and tension associated with this event frequently pushed individuals to find another job and not reflect on the future and what they wanted to do. But with 'early retirements', extended job furloughs, and other creative dismissals with severance pay, prospective entrepreneurs had the time to undertake a critical assessment of their future goals and research the possibility of owning their own business. This puts the otherwise employee-status individual on the same road as the nascent entrepreneur who used the job loss as the 'trigger' to go and do what he or she has always wanted. So even though the resultant attitude may be different – from fear, stress and disappointment on the one hand, to anger, resentment and relief on the other – the results were similar: new mindsets for the creation of new enterprises were created (Harvey and Evans, 1995).

After the creation of a successful enterprise, entrepreneurs appeared to develop sensitivity to other windows of opportunity and were prepared to react when these targets of opportunity presented themselves.

It was suggested that there was a perceived incongruity between the individual's personal attributes and the role(s) he or she played in society, and this

was sometimes referred to as ‘social marginality’. This relative deprivation may thus have provided the necessary impetus for such individuals to become self-employed. For such people, there was clearly the ‘pull’ of assuming a more attractive, socially esteemed role in society and the ‘push’ of reducing the incongruity between self-image and socially conferred role image. (Chell 1985; 106).

Critical incidents that occur in life evoked Collins et al. (1964) to comment: ‘The observable career pattern ... might ... take on the aspects of a rather hair-raising roller coaster ride – a succession of ups and downs, dramatic reversals of success and failure, streaks of seemingly good and bad luck’. Clearly this was not the career of the entrepreneur whom Schrage (1965) identified as high in nAch. and successful.

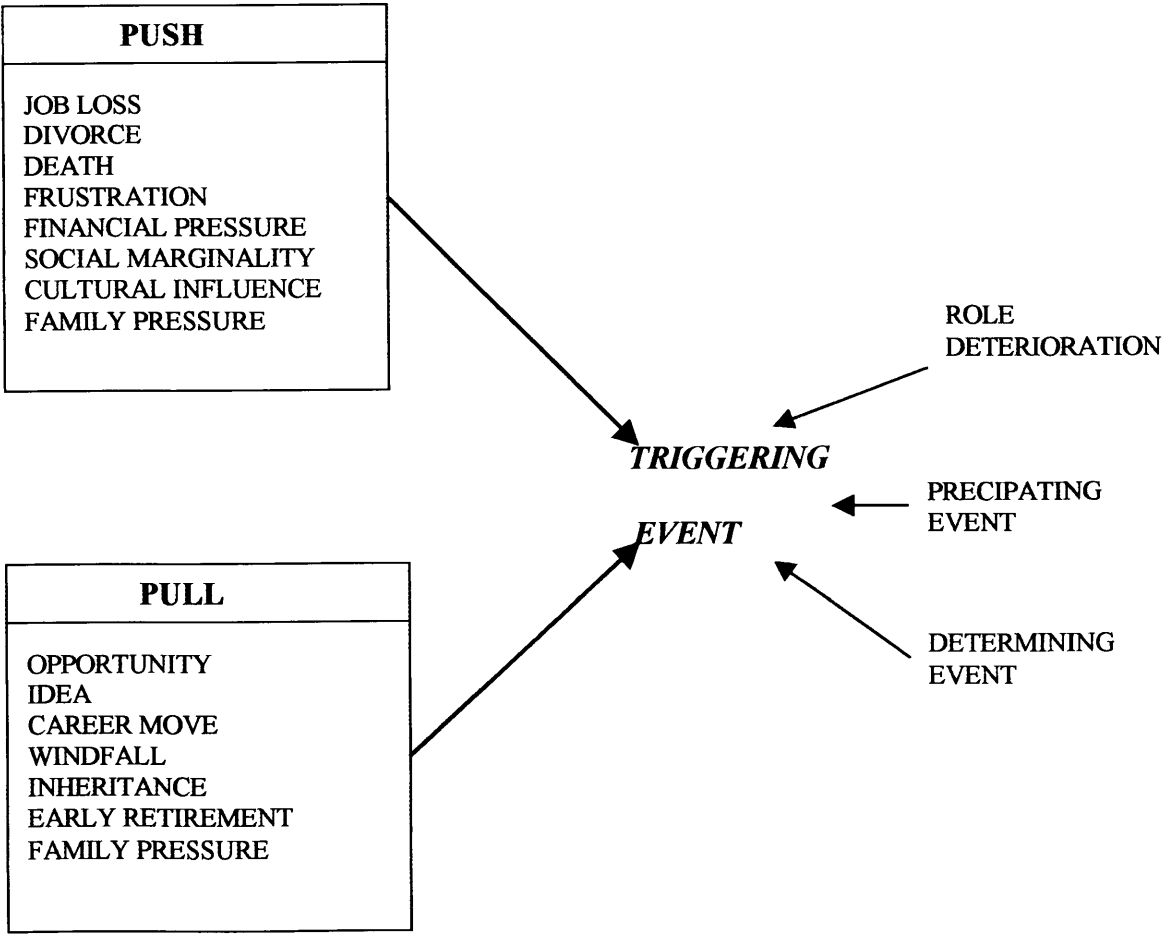
However, the ‘diffuse restlessness’ that Collins noted about their entrepreneurs was not always to do with achievement. Elsewhere they commented on what the entrepreneurs themselves believed to be the kind of character structures, which emerged from their early times of deprivation. If they were to succeed, they must be able to become, in the broadest sense, extra receptive. Thus they selected one or more role models and altered their values and behaviour to match more closely those of their reference group. This process was known as anticipatory socialisation (Collins et al. 1964).

Greenberger and Sexton (1988) also hypothesised that one’s attitude about one’s self was influential in the decision to start a business. Herron and Sapienza (1992) proposed the importance of personality traits in affecting an entrepreneur’s level of aspiration towards a venture. Non-trait types of personal characteristics such as family status, sex, and growing up in an entrepreneurial family also influenced one’s decision to act entrepreneurially.

Changes in one’s life path usually came about after some form of displacement. The decision to start an enterprise was the result of the perception that such an idea was feasible. Shapero also included the entrepreneur’s peers, family, mentors, role models, teachers, respected public figures, and writers as influential in shaping one’s perception of the feasibility of starting a business.

Figure 2.2 depicted the various key elements derived from the research literature that could be involved in the triggering event, based on the push or pull influences.

**Figure 2.2 Framework of the triggering event**



### **2.1.5. Entrepreneurial intentions**

The triggering event having set the wheels in motion, there came a stage in the entrepreneur's mind when he or she started to focus upon the concept of having their own business, being independent, controlling their own destiny in real terms. They still did not know where or how or what, but they had formed within themselves the stated intention for so doing. This started to give the prepared mind a sense of direction that was supported by the nascent entrepreneur's years of experience and knowledge stored unconsciously in their long term memory.

It has been already remarked that the entrepreneur was heavily influenced by his or her past. Shapero and Sokol (1982) suggested that an 'entrepreneurial event' was often the result of interaction between social, cultural, and personal factors. In an attempt to go beyond the descriptive research that identified the context in which entrepreneurship occurred or the specific characteristics of the entrepreneur, Bird (1988) proposed a framework that focused on the conscious and intended act of new enterprise creation. Entrepreneurial intention, or the state of mind that directed and guided the actions of the nascent entrepreneur toward the possible development and implementation of their ideas into a business concept, formed the basis of the framework. This perspective was process-oriented, directing attention towards the complex relationships between having an entrepreneurial idea and the resulting outcome of this idea (Boyd and Vozikis 1994:64).

Bird (1988,1992) defined intention as a state of mind that focused a person's attention, experience, and behaviour towards a specific object or method of behaving such as scanning for ideas and opportunities. Bird further suggested that entrepreneurial intention directed critical strategic thinking and decisions and operated as a perceptual screen for viewing relationships, resources and exchanges. According

to this framework, individuals were predisposed to entrepreneurial intentions based upon a combination of both personal and contextual factors. Personal factors included prior experience as an entrepreneur, personality characteristics, and abilities. Intentions were further structured by both rational-analytic thinking (goal-directed behaviour) and intuitive-holistic thinking (vision). These thought processes underlined the necessity for the creative analysis of ideas and opportunities, and other goal-directed behaviour. Entrepreneurial intentions might be developed towards the innovative process of a new venture or new values in an existing venture (Bird 1988).

## **2.2 Focal theory**

### **2.2.1 Introduction**

This section described the multi-faceted elements that were involved holistically in the search, recognition, and harnessing of an entrepreneurial idea, which were the main objectives of this research. It concentrated on the discovery process, which comprised creativity, cognitive processes and the prepared mind. It also focused on ideas that arose from the discovery process and described the evolution stage of the process, which comprise visualisation, goal-setting and crystallisation. The beneficial aspects of opportunities were also discussed.

### **2.2.2 Discovery**

It was considered important that two of the principle aspects of the discovery process, namely creativity and cognitive processes, be described in some depth prior to addressing other elements of the process.

There were certain core attributes which entrepreneurs possessed that formed the backbone and foundation of their being. These were fundamental not only to the entrepreneur's ability to create, but also their ability to recognise an idea, and have

confidence in their ability to transform the idea into an opportunity. These attributes were also discussed.

### **2.2.3 Creativity**

Creativity was also about the quality of originality that led to new ways of seeing and having novel ideas. It was basically a thinking process associated with imagination, insight, invention, innovation, ingenuity, inspiration and illumination. It had something of a mysterious air about it. Insight experiences, in which creative ideas emerged unexpectedly from the unconscious, in such a way that the creator was unable to explain how they got there, just added to the mystery (Henry 1991).

Central to the entrepreneur's role was the constant desire to create something: a new organisation, new insights into the market, new corporate values, new manufacturing processes, new products or services, or new ways of managing. Understanding how the creative process began and evolved was therefore important for entrepreneurial theory and practical success.

Kao (1989) differentiated between creativity and entrepreneurship. Creativity implied a vision of what was possible, the entrepreneur translated that creative vision into action, into the human vision that guided the work of a group of people. If the term 'innovation' suggested the implementation process, by which creative inspiration led to practical results, then entrepreneurship was the human and organisational process by which innovation took place.

While the concepts of creativity and entrepreneurship were closely related and overlap, they were not identical. The capacity to develop new ideas, concepts, and processes was not the same as the capacity to make things happen, to implement in



practical terms. The entrepreneur was not necessarily creative, but was able to recognise and take advantage of the creativity of others.

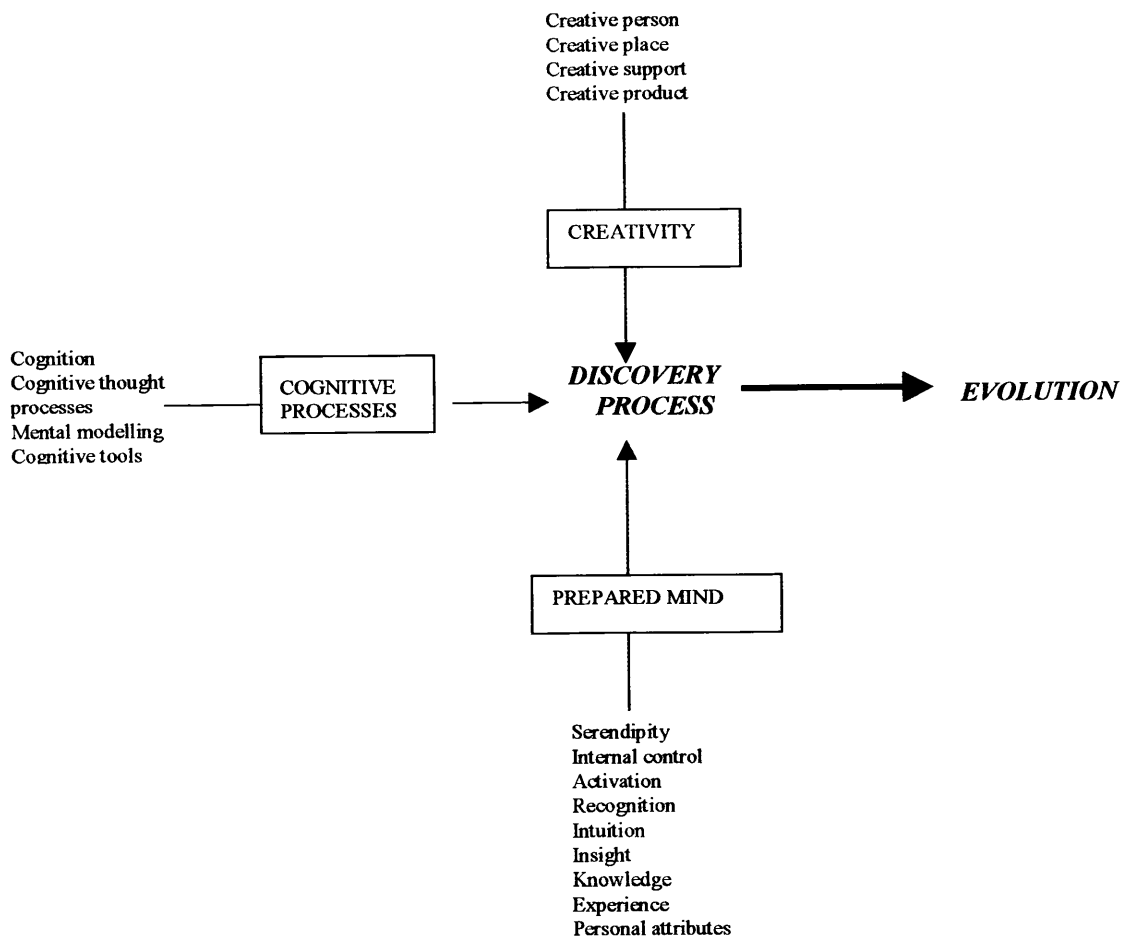
McAleer (1989, pp44-102) brought emotion into the equation when he stated: 'creativity is a passionate, exciting, and challenging effort to make just the right connection amid the buffeting chaos of everyday reality'.

Biemans (1992) clarified the relationship between invention, creativity and innovation by recognising that the concepts were closely related. Invention was the origination of a new concept or idea as the result of a process of creativity. Imagination played an important part in this process. Innovation was the development or adoption of new concepts or ideas. Creativity was having the idea' and innovation was its application. Creativity was not itself enterprising, because it did not generate change' That did not happen until the innovator took the idea and did something with it.

The apparent difficulty in agreeing a common and meaningful definition of an entrepreneur also manifested itself in the subsequent difficulty of an appropriate definition of creativity. The difficulty arose mainly from the multi-faceted attributes and influences that impinged on the creative process in the ever-changing kaleidoscope of what was truly an organic process.

Figure 2.3 highlighted some of the key processes and elements, derived from the research literature, that could be involved in the discovery phase of the entrepreneur's creative process, from which ideas materialised.

**Figure 2.3 Framework of the discovery process**



Mooney (1963) attempted to define creativity in terms of what was referred to as 'creative'. He considered the four 'approaches' to creativity as: a) the creative environment, b) the creative product, c) the creative process, or d) the creative person. He suggested that any one of these perspectives might be taken in order to gain an initial hold on the problem of creativity. This definition was supported and taken a stage further by Garham and Oakhill (1994 pp.237 – 239). Stein (1974) suggested that the 'person' focused on creativity as an ability; 'process' on creativity as a mental

activity; 'place' on conditions that facilitated or inhibited creativity; and 'product' on creative outcomes. Henry (1991 pp.5 –10); Simonton (1990 pp. 92 –115) and others have argued for a fifth 'p' – persuasion, which involved others in the process.

### **2.2.3.1 Creative person**

Perkins (1981) developed what he called the 'snowflake model of creativity', analogous to the six sides of the snowflake with each having a complex structure. It consisted of six related, but distinct, psychological traits of the creative person. Creative people might not possess all six, but the more they had, the more creative they tended to be.

The six traits were: a strong commitment to a personal aesthetic; the ability to excel in finding problems; mental mobility, allowing creative people to find new perspectives on and approaches to problems; a strong tendency to think in terms of opposites and contraries while seeking a new synthesis of ideas; a willingness to take risks and constantly seek excitement, stimulation and physical thrills or mental thrills, or a mixture of both; inner motivation – creators are involved in an enterprise for its own sake.

Like most other attributes, creative ability seemed to be distributed in varying strengths. Perhaps the capacity for creative action was not so much a personality trait as a state of mind which could be learned. Some people had a facility for it and others did not, but as with running, or any other skill, one could improve with training and practice. Viewing creativity as a natural talent directed attention towards removing mental barriers to creativity and thus allowed innate spontaneity to flourish. However, creative acts were not just isolated acts of perception, they required a certain emotional disposition as well, for any new idea replaced, and in effect destroyed, the previous order (Henry 1991).

Fernald (1988), in his narratives of creative entrepreneurs, concluded that they were characterised by a thought process different from others. His definition of being creative seemed to be to make 'serendipitous and surprising associations'. A creative person must therefore have been endowed with an ability to 'think laterally'. In addition the creative person had the ability to achieve a rapid rate of cognitive closure.

Amabile (1987) carried out a research project to determine the personal qualities and environment conducive to creativity. The results of the research as regards the personal qualities required were:

- The need for 'intrinsic motivation' – being self-driven; excited by the work itself; enthusiastic; attracted by the challenge of the problem; having a sense of working on something important; a commitment to the idea; not being apathetic; not being motivated only by money, recognition, or external directives; being motivated primarily from within, from the individual's own interest in the work itself and not from external pressure; also having a belief in or commitment to the idea. The importance of this intrinsic motivation, self reliance, or internal locus of control in the creativity of persons, has been found by other researchers, including Ekvall (1983), and Smelz and Cross (1984).
- The need for ability and experience – having special problem-solving abilities and tactics for creative thinking; having talent and expertise in the particular area; having broad general knowledge and experience in many fields; being highly intelligent; having special cognitive skills, general knowledge, or expertise within the specific field.
- Risk orientation – being somewhat unconventional, unafraid to take risks, attracted to the challenge, not being inflexible or unwilling to do things differently

and being courageous in taking risks. People were not afraid to step over the boundary lines.

- Social skills – access to the ideas and insights of other people, having a good rapport with others, being a good listener and a good team player, being broadminded or open to other's ideas; having political savvy. One needs a willingness to interact with one's peers and exchange ideas. This includes respecting the input from others.
- Other qualities were – having persistence, curiosity, energy, and intellectual honesty, being naïve or unbiased by preconceptions about the problem.

The aforementioned theories attempted to describe creativity in terms of causes and effects and/or hierarchical stages of combinations of inputs, processing and output.

Intrinsic motivation – entrepreneurs engaged in a task and enjoyed it and were interested in the activity 'for its own sake', not because of any external rewards. It was a type of motivation that promoted behaviours whose main rewards were that they allowed the entrepreneur to experience efficacy and autonomy (Deci Ryan 1985, pp.85-87).

### **2.2.3.2 Creative place**

To engage in creative thought required one to step outside the demands of everyday life, with all its priorities, in order to find one's own 'thinking space'. The thinking 'place' allowed the mind to enjoy a freewheeling agenda, a chance to explore the unexplored, and to mentally achieve the impossible. This was where visions and goals materialised in the mind, took form, and became real – a sort of virtual reality.

Freud (1925) wrote about images that emerged from the unconscious in primary process thinking, which occurred during relaxation and includes dreams, reveries, free association, and fantasies.

Organisational and societal climate, culture and structure had a major impact upon creative output, creative idea flow, where new ideas and challenges were welcomed and where people were encouraged to play rather than being controlled and threatened. If people were to be open to ideas, they needed to have developed a good deal of trust, and felt comfortable enough to take risks and be prepared to fail.

In the consideration of the 'right' sort of environment for the generation of creative thoughts, the results of Amabile and Gryskiewicz's (1987) research on the staff of a research and development laboratory, in order to discover what the staff themselves considered to be the most conducive environment for creativity, provided some interesting results. These are now shown in priority order:

- Freedom – to decide what to do or, more frequently, how to do one's own work; a sense of control over one's own work and one's own ideas; a freedom from having to meet someone else's constraints; a generally open atmosphere (King and West 1985; Peters and Waterman 1982; West 1986).
- Encouragement – enthusiasm and support for new ideas and new ways of doing things; an absence of destructive criticism and excessive fear of evaluation.
- Resources and time – access to appropriate resources, including facilities, information, funds, and people: sufficient time to solve problems in new ways.
- Recognition – an appropriate constructive feedback on one's work, along with due recognition and rewards.
- Challenge – a sense of challenge arising from the nature of the problem; a sense of pressure arising from outside competition or realistic time urgency.

The results showed the importance of freedom to do one's own thing, understanding and support from colleagues, realistic time scales, and a personal challenge of their own competency.

Gruber (1980) saw the advent of formal operational thinking as being significant for the development of creative thinking, but he emphasised that formal operational thinking was more than mastery of a set of particular cognitive skills. Gruber believed the real significance of this particular cognitive development was the freedom it brought to the individual to escape from the bounds of reality through imagination. This, of course, was precisely what was essential to creativity.

Creating does not occur in separable phases but was more of an unfolding vision, with each work making a contribution to the on going enlargement and expansion of that vision. In other words, simultaneity seemed to occur on both the micro level (the individual work) and the macro level.

### **2.2.3.3 Creative response**

Entrepreneurship had two essential elements: firstly, 'creative response', the potential for innovation, and secondly, action which involve others to give existence to this creative response.

Charisma-Weber (1930) stated that this was the way in which human creativity, acting in a social context, altered that context. It was concerned with freedom, in the sense of non-determined action with the creative response. Creative response changed social and economic situations for good, or to put it differently, it created situations for which there was no bridge that might have emerged in its absence.

Creative response had nothing to do with the jiggling of inputs, it can only be understood by looking inside the 'black box', because inside was the entrepreneur's own view of the world in his or her definition. And if the situation warranted it, he or she had the possibility of changing that definition.

In a sense, entrepreneurship was the creation of surprises. It entailed breaking the looking glass of established ideas.

#### **2.2.3.4 Creative product**

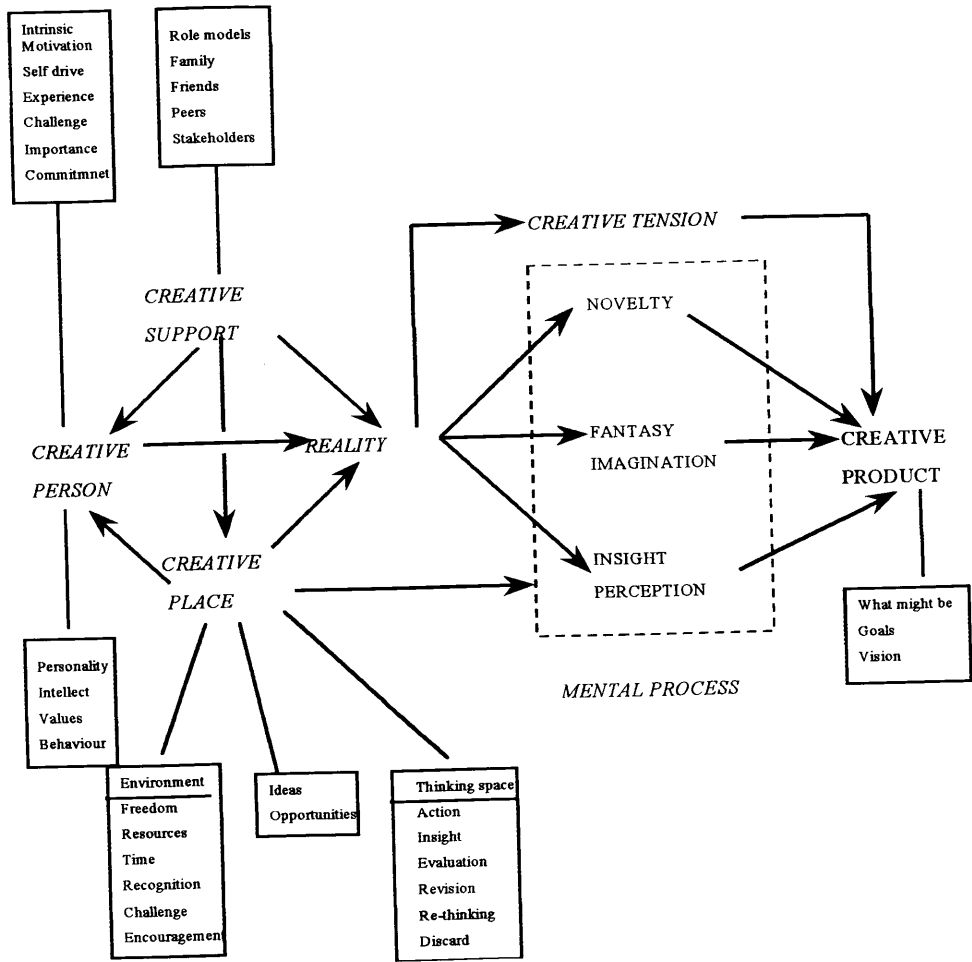
Creative products may arise from a radical breakthrough, or a series of smaller incremental steps. Ideally, invention can lead creativity and be developed into a process of innovation. It had been suggested that generating a good idea was the least difficult stage of the creative process. The problem lay in development and mastering the obstacle course of the innovation process. Simonton (1990) and others have argued for a fifth 'p', persuasion, in the model of creativity (shown in the model as creative 'support'), because individuals seen as creative were those who have managed to persuade others of the value of their work (Henry 1991).

The creative product as first envisaged, rarely maintained its original identity. It was, of course, much easier to modify something that one can see had shape and substance, rather than something that might be the figment of someone's imagination.

Figure 2.4 encompassed definitions of creativity, which arose from the research literature; in particular the research by Mooney 1963, Garham and Oakhill 1994, Stein 1974, Henry 1991 and Simonton 1990. A number of original additions have been added as it was considered important that reality, mental processes and creative tension be included.



Figure 2.4 Framework of creativity



2.2.4 Cognitive processes

The research explored further into the mystical ‘black box’ in order to understand the mental modelling that has taken place, mostly unconsciously, in preparing the mind to scan, recognise and categorise information which led to the discovery of the entrepreneurial idea.

One of the challenges of this research was metaphorically to try and get inside the mind of the entrepreneur in order to determine what had gone on was going on,

and what might be going on in the future. In order to obtain this insight, it was necessary if not essential, for the researcher to get onto an 'inside track' with the entrepreneur. Before one attempted to do this, it was considered important to gain an understanding of what one meant by the term 'cognitive processing' and the main elements of the process. Some of these questions have been answered.

#### **2.2.4.1 Cognition**

Cognition was the faculty of knowing and perceiving, and as such, it was associated with the concepts of: awareness (consciousness), comprehension intelligence (quickness of understanding, information, sagacity), intuition (immediate insight), personal acquaintance (social knowledge), recognition (categorising, reviewing, revising), skill (reasoning, practical knowledge expertise), understanding (judgement, decision making, comprehension), pattern recognition (Best 1995).

The study of cognition was the study of processes, the ways in which one became acquainted with things. It was possible to divide the mind up into faculties that represented the different mental activities of which one is capable. There were three faculties called cognition, emotion and volition. Less formal names for them are knowing, feeling and choosing.

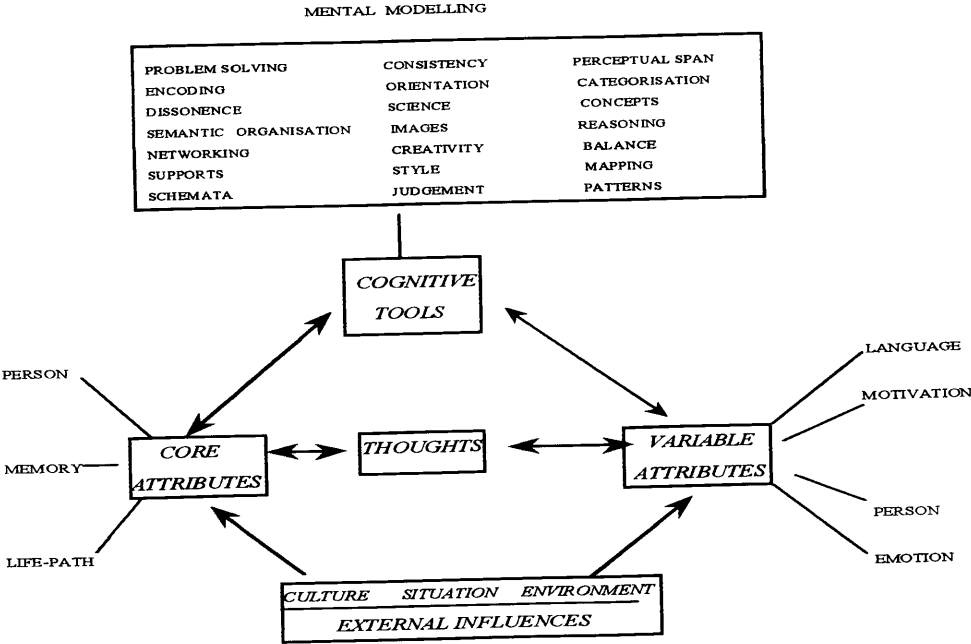
Cognition was the faculty concerned with activities, such as memory, imagination, judgement, and reason. Emotion was the faculty that evaluated events in terms of the pleasure or the pain to which they give rise. Volition was the faculty responsible for choices. In practice, these three mental activities influenced each other (Benjafield 1992; Hilgard (1979).

#### **2.2.4.2 Cognitive thought processes**

Figures 2.5 and 2.6 were an attempt to map from the research literature the key attributes involved in the range of entrepreneurs' cognitive thought processes. It

indicated the ‘spider’s web’ of inter related attributes, both core and variable, the inter-dependence of feelings and emotions with cognitive thoughts. It described some of the ‘tools’ of the various cognitive processes, which were available and are on ‘tap’. These were used as required, consciously and unconsciously, in the mental modelling of problem solving and decision taking that were an integral part of the entrepreneur’s life. It also illustrated the contribution of the external influences as an integral part of the overall process. The ‘web’ illustrates the fact that the entrepreneur had certain core attributes, which rarely changed during the course of their lifetime, and other attributes, which did vary depending on the situation and circumstances.

Figure 2.5 Framework of the cognitive thought processes



Cognitive processes handled positive information and reasoning tasks better than negative information. One tended to perform better on a variety of different tasks if the information was emotionally positive (pleasant) rather than emotionally negative (unpleasant) (Hearst 1977). Cognitive processes were inter related and interact with one another.

It appeared that many cognitive processes relied on both 'bottom-up' and 'top-down' processing. Bottom-up processing stressed the importance of information from the stimuli, whereas top-down processing stressed the influence of concepts, expectations, and memory upon the cognitive processes. Both factors worked simultaneously to ensure that one's cognitive processes were typically fast and accurate (Matlin 1994).

#### **2.2.4.3 Cognitive tools**

At this point, some of the cognitive tools are described that one used, often unconsciously, in the appraisal and decision making processes. These were outlined in Figure 2.6. The figure, which illustrated the complexity involved, had been compiled with reference to the cognitive psychology literature on the subject and in particular the works by the following authors (Best 1995; Eber 1995; Forgas 1983; Matlin 1994; Mischel 1976; Benjafield 1992; Eysenck and Keane 1995).

Cognitive supports – was one's network of assumptions about what was reasonable, logical, and scientific, what kind of person he or she thought he or she was (his or her self-image), and what was important and valuable in life.

Cognitive construction – was using degrees of freedom inherent in the plethora of data, to construct an understanding that loosely fits, but an understanding that was one of many possible understandings. Hayes (1981a) referred to solving an ill-

structured problem as gap-filling' and 'jumping in' to work on a problem prior to its definition. Isenberg (1984,1985) described this as 'thinking-acting cycles'.

**Categorisation** – Dutton and Jackson (1987) adopted categorisation theory as a conceptual framework to explain how entrepreneurial decision-makers evoke alternate strategic decision frames. They argued that the attributes of a particular issue cause the entrepreneur to categorise that strategic issue in different ways, and these heuristics guide the meaning of a stimulus by directing attention towards some of the elements and away from others.

**Cognitive science** – both the psychological analyses of human problem solving, and the syntheses of computer problem solving, viewed problem solving as a form of information processing. Thus, both humans and suitably programmed computers were seen as flexibly manipulating symbols in order to solve problems. Viewing natural and artificial information processing as essentially similar was the perspective of the emerging discipline known as cognitive science (Gardner 1985)..

**Concepts** – a concept was a mental representation of a category, which allowed the entrepreneur to sort stimuli into instances and non-instances, and in so doing, reduced the complexity of the world to manageable proportions. Concepts enabled one to make enough sense of the world to behave adaptively. The use of concepts enabled the entrepreneur to make inferences and helped to solve problems. One could say that a concept was something in the entrepreneur's head that allowed them to place stimuli in or out of a category. Any particular stimulus might be placed in many different categories, and a group of stimuli could usually be categorised in many different ways. One could split up the infinite complexity of the environment into categories, perceiving the stimuli as category members rather than as unique impressions.

Schemata – was a mental representation of a set of related categories. It could be defined as an organised body of knowledge, a mental structure that represented some part of some stimulus domain. Like a concept, a schema was a representation abstracted from experience, which was used to understand the world and deal with it. It consisted of a set of expectations about how part of the world was organised. These expectations were applied to categorise various stimuli.

Cognitive judgement – Peacock's (1985) study examined risks taking as a cognitive judgmental behaviour of small business successes. In the study it quoted Lachman et al. (1979: 207) "Through practice and experience, cognition became routines so that it proceeded without the limits of consciousness. Most of what one did goes on unconsciously. 'Consciousness was reserved for special processing'. Thinking, memory, and attention to detail were all part of the decision-making process. It was not that one existed without the other, but that for the entrepreneur inconsistencies in one or the other could bring unfavourable results.'

Cognitive balance, – when there was cognisance between the expediency and outcome of entrepreneurs' activities, a state of cognitive balance existed. If one liked a person, one expected them to act according to one's value system; if they did, cognitive balance resulted. It also implied an affective component, which depended on whether or not the entrepreneurs were seen as facilitating their own goal attainment (Heider 1958).

Cognitive Dissonance – was when entrepreneurs find themselves acting and behaving in a way contrary to their beliefs or principles. This state subconsciously motivated their behaviour to remove the dissonance and establish the status quo. Dissonance could only occur if the discrepancy existed in an area to which the entrepreneur had already made a commitment. Other things being equal, the

dissonance was resolved in the direction of maintaining self-esteem. Dissonance was really based on the hypothesis that incongruent cognition's act as aversive stimuli, which motivated behaviour, designed to reduce the congruence.

Cognitive consistency. – It was sometimes simply more convenient to confirm one's expectations because it required less effort than changing one's mind. Cognitive consistency motivated behaviour and was a cognitive style variable. The direction of cognitive balance and the evolution of dissonance depended on the nature of the person's self-esteem. Cognitive consistency was that state in which the entrepreneurs' expectations and outcomes were congruent with each other.

Cognitive Patterns. – If the problem was complex, the entrepreneur often made use of tools, techniques, concepts, principles, maps, plans, search models, and other patterns that were not parts of the problem situation, nor solutions to the problem, but were produced and used instrumentally, as aids to problem solving. Tools, concepts, maps, and the like did not by themselves solve any problems, but the entrepreneur might have used them to reach solutions that he or she could not reach without them.

Cognitive Style. – There were a number of approaches, or priorities, in the entrepreneurs' inner thinking processes, (Forgus 1983, p. 248). This was particularly relevant with regard to their creative ability. The entrepreneurs' ideals and personal beliefs became the foundation that coloured their thinking. These were then developed to be consistent with their style of thinking and goal-directed behaviour, influenced by their world view and instrumental responses. Situational and environmental influences tended to divert their focus of attention, as did the intensity of their emotional feelings.

**Cognitive Mapping** – Cognitive mapping was a relatively new method for cognitive description and analysis. Building on the causal elements in overt communication data, its main contribution was to bring into the open the phenomena which the entrepreneurs saw in their situations and the causal influence links, which they believed to exist in this concept space. A cognitive map was thus a representation or model of the entrepreneur's knowledge base or cognitive structures, which were assumed to influence that entrepreneur's thinking and overt actions (Laukkanen, 1990).

Cognitive mapping was the way that an individual experiences and reacts to a given environment began to be understandable in the context of an experience-based internal structure that corresponded at least in certain respects, to the environment in question. A cognitive map so generated, provided the basis for expectations, and plans. It also provided alternative routes and illustrated possible shortcomings and gaps in the process being contemplated

In the use of their own internal situation models, entrepreneurs might be assumed to produce, 'in the mind's eye', explanations and predictions of system behaviour as thought simulations. This also made control, and meaningful adaptation to changes in the system, cognitively feasible (Johnson-Laird, 1983).

The term cognitive mapping should perhaps be reserved and used to refer to any mapping approach. In this sense, all efforts to represent the unseen cognitive theoretical contents, be those structured or processual, are cognitive mapping in the sense that they wished to convey information to an outsider about the internal states of a person or the shared thinking of a group of persons.

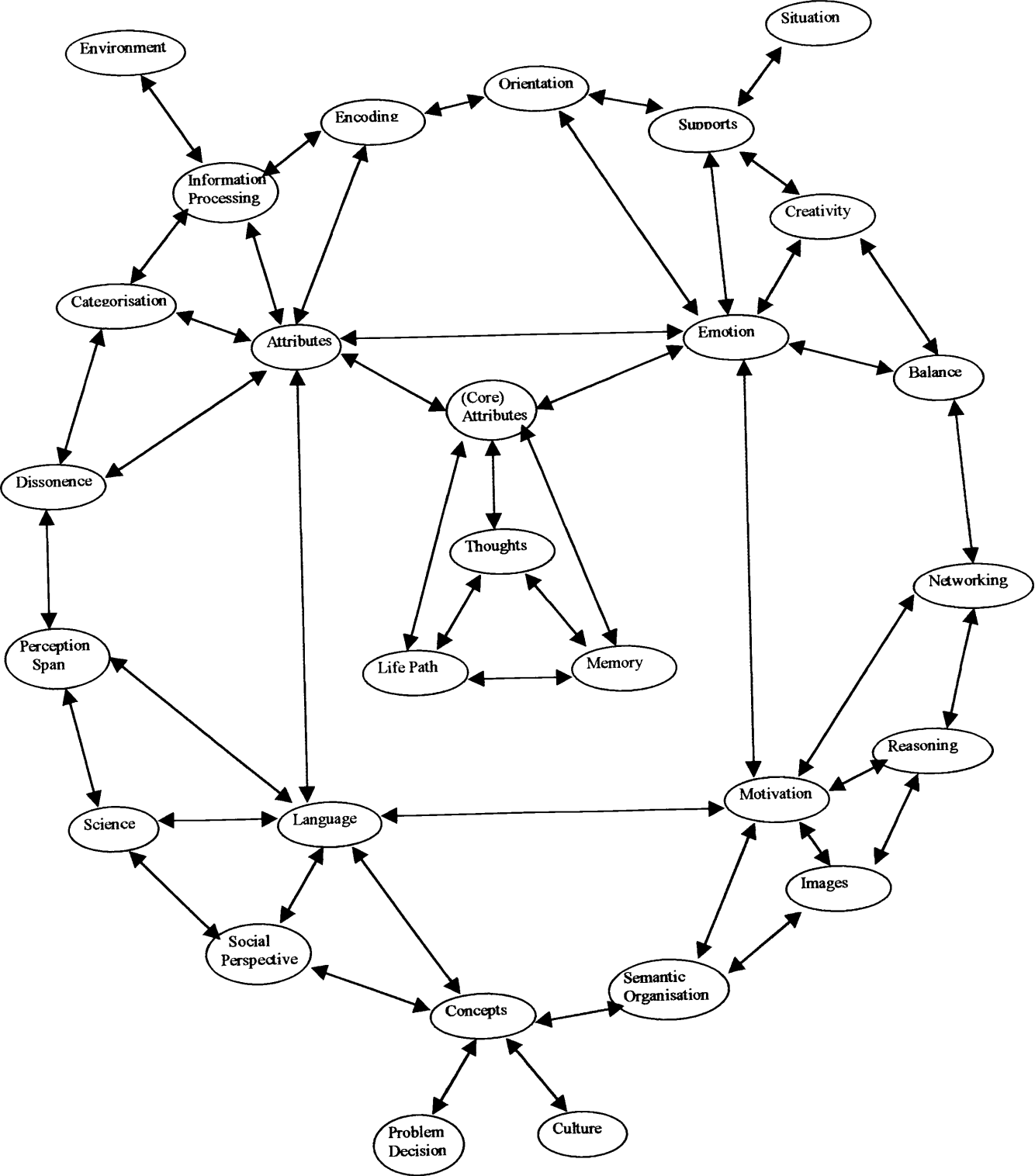
There were a number of alternative tools for cognitive representation / mapping. This was important in order to preserve a proper perspective, and to ensure



that research would not become too method or base-concept driven. The most common solution for cognitive representation was the use of text-based description. A text could contain the same information as a cognitive or causal map. Causal mapping was a relatively straightforward technique, which concentrated on the causal thinking/belief patterns, contained in documentary and /or interview raw data (Laukkanen,1994).

It was important to have an appreciation of the many components that make up, contribute to and are available as tools in the complex spider's web of the cognitive thought processes. The cognitive map in Figure 2.6 portrayed the inter relation of the various elements, with the core attributes holding 'centre stage'. It also illustrated the involvement of the 'external influences' into the equation. The figure, which illustrated the complexity involved, had been compiled with reference to the cognitive psychology literature on the subject and in particular the works by the following authors (Best 1995; Eber 1995; Forgas 1983; Matlin 1994; Mischel 1976; Benjafield 1992; Eysenck and Keane 1995).

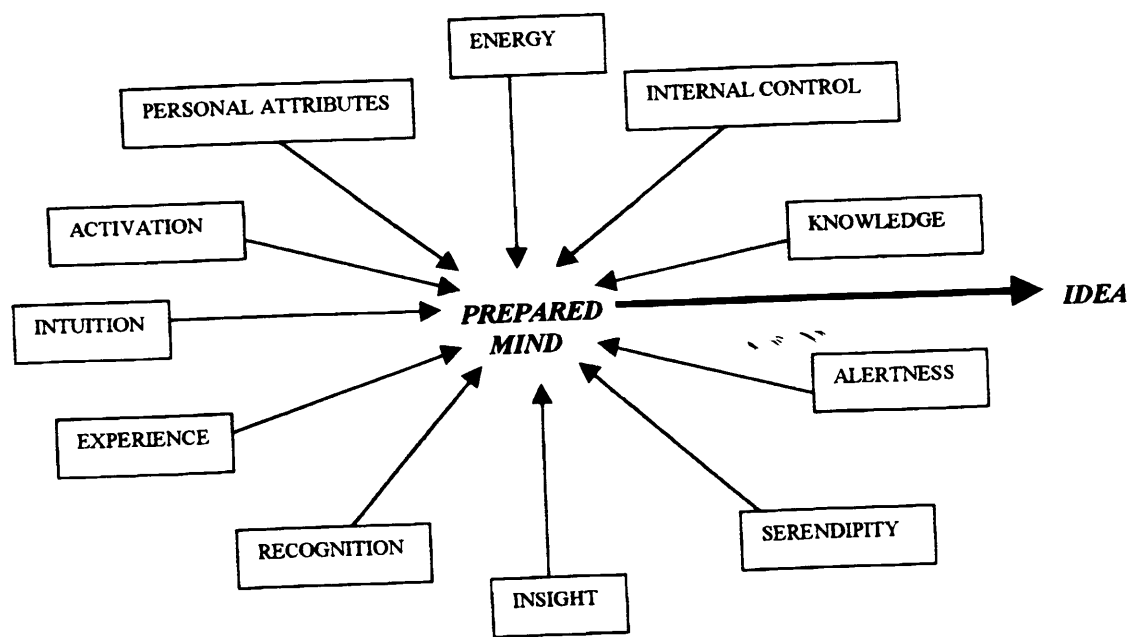
Figure 2.6 Cognitive map of the thought processes



2.2.5. Prepared mind

The prepared mind represented the cumulation of many elements involved in the searching for, recognition of and harnessing of the nascent entrepreneur’s idea. The main elements derived from the research literature were listed in Figure 2.7 and each was described in this section. They represented many of the key elements contained in the discovery phase of the nascent entrepreneur’s creative process.

Figure 2.7. Framework showing the main elements of the prepared mind



2.2.5.1. Serendipity ( happenstance)

Some types of fortuitous discoveries and subsequent mental modelling techniques such as serendipity, that can provide the impetus for successful

entrepreneurship, do not fit very neatly within the ordered boundaries of scientific analysis and statistical probability.

The modern application of 'serendipity' usually referred to good luck that came by accident. It was a result which encompassed the fixed qualities of a product, not a changeable, process-derived ability (Austin 1978). Its origins suggested a richer interpretation, though Walpole, who coined the word, regarded serendipity not as a state, but 'as a quality – a gift for discovering things' (Austin 1978, p.71). The uniqueness of this quality, this attribute in an entrepreneur, and the process it embodies was its dependence on accident and sagacity (keen mental discernment and sound judgement) while in pursuit of something else' (Remer 1965, p.29). The combination of accidental discovery with mental discernment made serendipity a powerful process, an attribute markedly applicable to entrepreneurship, since 'most entrepreneurial ideas seem to be recognised as they appeared rather than actively sought out' (Koller 1988, p.203).

Serendipity, this quality for discovery, clearly encompasses elements of chance in its nature. Discovery and accident played key roles in its realisation. Because of the emphasis on quantification within the normal scientific traditions this central fact made serendipity difficult to understand from a purely structural or systems-orientated perspective. Research in the natural sciences had shown how revolutionary discoveries often have a 'serendipitous element' in them (Beveridge 1980; Shapiro 1984; Roberts 1989), while social-science-oriented research, offering operationalised applications of serendipity and affiliated concepts such as happenstance (thing that happens by chance) and zeitgeist (trend and thought in a period), has been sparse (Mednick 1962; Simonton 1984 p.134). The special characteristics of serendipity began to emerge through a deeper understanding of how

the various qualities of chance interact with the entrepreneur's core attributes and other components of the situation, circumstances and the surrounding environment.

To attribute serendipitous discoveries purely to mere chance was to overlook the importance of the synchronous convergence of preparation (resulting from education, experience, analysis and perseverance) with opportunity. Numerous examples showed that opportunities most often result from an underpinning of hard work which increased the likelihood of 'a happy accident' resulting (Beveridge 1980).

Once a moment of discovery had arrived and been recognised some entrepreneurs have prepared the foundation for serendipity with action, and recognised the importance of the moment, yet were unable to transform these necessary elements into serendipity. Their failures stemmed from their inability to bring insight to their findings. While these situations certainly did not result from lack of focus or lack of effort, they still represented only incomplete, intermediate steps which led towards the truly serendipitous discovery (Taton 1957).

In a letter by Walpole to his friend Sir Horace Mann in 1754, he explained serendipity as individuals 'making discoveries, by accidents and sagacity, of things, which they were not in quest of' (Roberts 1989, p.9). Serendipity certainly required action, but the unique aspect of this type of activity was that its immediate focus is not on the ultimate locus of discovery brought to light through serendipity. As a result, while the activity required for the development of serendipity should aim towards the achievement of a desired goal, this goal cannot be the object of the serendipitous discovery. For an entrepreneur to be sensitive to the development of serendipity, the focus of action must be separate from what will prove to be the ultimate object of the serendipitous insight. When 'chance favours the prepared mind' (attributed to Louis Pasteur as cited by Beveridge 1957; Austin 1978; Mansfield and Busse 1981 among

others), it allowed action to employ in the subsequent process of discovery the skills already developed and utilised through experience. Analysis of serendipity suggested that any purposeful activity that engaged the mind in a productive fashion provided the basis of activity essential for the development of serendipity in an entrepreneur (Martello 1994).

Serendipity, then, was a quality embodying more than just luck. It recognised chance, but it also needed preparation of both an entrepreneur's rational and non-rational faculties. Education, experience, effort, analysis and a realistic receptivity to the environment all contributed to this preparation process. Then, when chance and preparation interacted synchronistically, the entrepreneur had established fertile ground for serendipity to take root. However, without the entrepreneur then taking a pro-active role in the process of discovery (succeeding the serendipitous discovery with action) the prepared ground will lie fallow.

The literature on serendipity proposed three separate elements as crucial factors in any efforts towards its attainment: activity, recognition and insight (Cannon 1940; Taton 1957; Mednick 1962; Parnes 1975; Mansfield and Busse 1981; Rosenman 1988; Simonton 1988). Action set the stage for the possible revelation of serendipitous knowledge; recognition allowed the entrepreneur to see, and not overlook, the moment; and insight was the flash of understanding where knowledge met application. While the literature rarely described these elements as discrete qualities, for the successful application of serendipity they must be combined and interact as a unified whole in the overall holistic process. It was this unity, this interdependence of the various elements, that provided the framework for serendipity to grow in the entrepreneur (Martello 1994).

### **2.2.5.2 Internal control**

Research into the psychological concept of locus of control indicated that under an internal locus the entrepreneur tended to take responsibility for actions and viewed oneself as having control over one's 'destiny' (Reber 1985). The power of an internal locus of control in leading towards serendipity and discovery was that it allows the entrepreneur to adapt to chance occurrences in the external environment.

### **2.2.5.3 Activation**

Activation theory stated that individuals differ with regard to their seeking out or avoidance of activity. Both high and low-level activation people can be further classified by their needs for meaningfulness and variety (Nickerson and Ellis 1991). Entrepreneurs were distinguished from non-entrepreneurs by their high activation needs, with their mental frames of reference associated with 'best performances' (Ray 1990).

Entrepreneurship research would suggest that direct, focused activity would lead to the development of the proper climate and basis for discovery. Kao's (1990, p.71) research with his students on 'who is an entrepreneur' found that the action orientation revealed in entrepreneurial behaviour and management practices was very much 'Do it now before it's too late'. Shapero and Sokol's (1982) examination of the social dimensions of entrepreneurship likewise suggested that actions, which reflected perceptions of social desirability and feasibility, would foster the greatest degree of entrepreneurial event formation. The research suggested these actions function primarily as a directed means to the entrepreneur's desired 'ends'.

Activity and alertness formed the foundation for discovery (Kirzner 1980; 1982). While the focus may be in some other field of endeavour, or it may just be on

the process of activity itself, this activity must not concentrate on the territory requiring solution by serendipity. It was a fundamental fact that entrepreneurs devoted time to strategies, which offer no guarantees of success. Perhaps this was because the process of discovery addresses uncertainty rather than risk – and it was in uncertainty that the greatest potential for economic profit lay. In episodes such as this, the unconscious and subconscious impulses that contributed to the subsequent development of serendipity and recognition used the physical energy generated by activity to free the underlying power of the mind. Then deeper, subconscious mental processes akin to meditation helped to free the mind and allow new patterns of thinking to develop. ‘It is interesting to realise how many truly creative activities were the result of serendipity when the individual’s mind was on something else. Creative solutions may require that one does not think about the problem rather than think about it’ (Dowd 1989, p.240).

#### **2.2.5.4 Recognition**

While busy with all their activities, entrepreneurs must also be able to recognise the moment of discovery. Recognition skills helped the entrepreneur to counterbalance cognitive biases that might serve to distort perceptions of the surrounding environment, or even of oneself.

Adjustments of recognition skills to counteract cognitive biases can in turn increase the likelihood of the entrepreneur’s receptivity to chance, heightening the potential for the cognisance and capture of a revealing moment – the realisation of an idea or opportunity.

The process of recognition may utilise intuition as one tool for its development. Intuition was a perceptual process, but it operated in a global, non-linear fashion (Bastick 1982). Intuition’s role in recognition emerged most effectively when



examined in conjunction with other states of discovery associated with intuition. Together these concepts helped to clarify the contributions of broad, non-linear processes to the development of recognition (Martello 1994).

Global, non-linear perceptual processes related to intuition included 'eureka' and 'aha'. 'The typical 'aha' experience may be considered to be the result of the new connection of elements residing inside one's mind and/or within one's perceptual field. This new and relevant connection or new and harmonious connection often just happened, accidentally or serendipitously' (Parnes 1975, p. 226). However, because of the preparatory activity already undertaken by the individual, the connection occurs within an already prepared field, the prepared mind: this insight triggers off a 'flash of illumination in a mind already loaded with a mass of relevant information' (Beveridge 1980, pp.19 –20). 'Eureka' evoked the realisation that 'I have found it', but 'aha' provides a direct link from information to discovery, for here something was found that was not being looked for – in fact, its appearance may be met with doubt or incredulity (Beveridge 1980).

#### **2.2.5.5 Intuition**

In the 'discovery phase', intuition was mentioned as one of the entrepreneur's key attributes. L'Herisson (1981) defined intuition as instantaneous or immediate learning or knowing without conscious use of reason. Isakson (1987) expanded the definition by recognising that through intuition knowing can occur without conscious awareness of rational thinking, a pattern was presented as a complete whole without one being able to explain how it was arrived at. It can grasp the meaning, significance, or structure of a problem without explicit reliance on analytical apparatus. Intuition was not limited by conventional time since it had no boundaries of duration. Intuition

can synthesise disparate ideas, achieving serendipity as it senses combinations, which did not appear to be related in the past (Isaack 1978 p77; Rockenstein 1994).

Agor (1986) carried out an empirical study on how top executives made important decisions. Some of the findings were that the top executives used their intuition as a way of knowing and recognising possibilities in any situation. Intuition was expressed as a subconscious drawing from innumerable experiences that were stored, with the individual drawing from this reserve without conscious thought. Good intuitive decisions were, in part, based on input from facts and experience gained over the years, combined and integrated by well-honed sensitivity to more unconscious processes.

Intuition was deemed to be most useful when high levels of uncertainty and little previous precedent existed, when facts were limited and when the facts clearly did not point the way to go. It was also used when time was limited and there was considerable pressure to come up with the right solution.

Agor's (1986) study explored the feelings the executives experienced by using their intuition at the point of decision taking. There was a sense of excitement, almost euphoria, a feeling of growing excitement in the pits of their stomachs, a total sense of harmony and commitment. They had what was termed a 'bolt of lightning, a sudden flash of realisation that this was the solution'.

Conversely, the feelings that they had experienced when they sensed by intuition that something was wrong comprised a sense of anxiety, discomfort, sleepless nights, upset stomachs and mixed signals. They also received clear signals that served as signposts telling them when they had chosen a workable option, when they had not and when they needed to take more time before reaching a final decision.

Isenberg (1984) in his empirical study to determine how senior managers think made the following points on intuition. The managers intuitively sensed when a problem existed. They relied on intuition to perform well-learned behaviour patterns rapidly, and synthesised isolated pieces of data and experience into an integrated picture, often in an 'aha' experience. They also used intuition as a check on the results of more rational analysis.

Many of the managers used the term 'gut-feeling' in association with intuition. It was not surprising to find that nearly half of the managers, when asked if they tended to keep their use of intuition a secret or felt comfortable sharing this information with others, indicated that they kept it a secret.

Jung (1951) defined intuition as the psychological function that explored the unknown, that senses possibilities and indications, which may not be readily apparent. Intuitive thinking, the training of hunches, the shrewd guess, the fertile hypothesis, the courageous leap to a tentative conclusion – these were the most valuable attributes of the entrepreneur at work (Bruner 1992).

Awareness of intuition, and comprehension of the roles it played in the creative process, lay the foundation for the construction of new or expanded thought networks. The fine-tuning of intuition required a commitment to time spent in the non-verbal realms of the mind. Access to the imaging part of the mind was achieved through mental and physical relaxation. Relaxation coupled with the focusing techniques common to methods of meditation helped to quieten the mind and to centre its energy on a problem or area of interest.

#### **2.2.5.6 Insight**

An interesting contrast between intuition and insight was that intuition stems from global, non-linear perceptual processes, while insight indicates 'a certain degree

of mastery of a domain, leading the person to preserve and pursue the new idea (Gruher 1989, p. 18). Intuition drew the mind towards ideas, creativity brought value and practicality to these concepts and insight united and consolidated the creative effort with the prepared mind and active energy of the entrepreneur.

Insight transformed the recognised discovery from pure knowledge to applied knowledge. The unconscious and subconscious mind played a crucial role when the currents of chance and synchronicity, stimulated by action and recognition, allowed the deeper mind to 'bubble-up' with penetrating insights.

Many mental tools could stimulate the development of insight: novel thinking throughout the creative process (Harriman 1989); 'chance permutations' of fundamental mental elements 'that can be manipulated such as cognitive schemata, ideas, concepts, or recollections that one can retrieve from long-term memory' (Simonton 1988, p. 389).

#### **2.2.5.7. Knowledge**

Education was central to the preparation process for discovery but one cannot 'cultivate nascent entrepreneurs simply by developing or specifying some optimal set of liberal arts and other courses. The process of creation was a holistic process. It had more to do with viewing ideas and opportunities, venture development, and venture strategy in holistic terms than with accounting, marketing, or finance' (Ray 1990, pp 91-92). This perspective suggested that flexibility in formulating and enacting entrepreneurial visions played a central role in the successful development of discovery.

Academicians, researchers, and practitioners have suggested many methods for teaching creativity and innovation leading to entrepreneurship at levels ranging from the elementary through the postgraduate, both nationally and internationally

(Vesper 1982; Lenox 1985; Ray and Myers 1986; Albrecht 1987; Wyckham and Wedley 1989; Kent 1990). Yet most entrepreneurship in the real world takes place without any such training. 'Key entrepreneurial attributes and ingredients combined to form an opportunity, and not as the result of any deliberate seeking or training' (Vesper 1982, p.343). Alternatively, action-orientated behaviour and an opportunity-directed focus, with a strong orientation towards the influences of the environment, often allowed training to combine with flexibility to produce conditions conducive to entrepreneurship (During 1990). Accordingly, the best education for the creative processes appeared to be an expansive combination of both the formal and informal – a thorough preparation in both analysis and experience (Cannon 1940; Mansfield and Busse 1981; Sutton 1986). Significantly, though, this education need not stem from a prescribed field of study or realm of business. The creative process is developed from a complete holistic preparation in skills and practice, not in disciplines.

#### **2.2.5.8 Experience**

The nascent entrepreneur's life path experiences and the skills they have cultivated were essential prerequisites in their ability to recognise and harness the entrepreneurial idea. These were stored in their long-term memory and provided an invaluable source of data for the prepared mind in the scanning and recognition process.

The experiences helped to establish the nascent entrepreneur's confidence, self-belief, self-efficacy, and values. Successes and failures provided valuable learning experiences, establishing over the years an ability to totally focus on the task in hand, making firm commitments, perseverance in the face of adversity, developing a resilience to setback, and the adoption of a positive approach to life. All these helped the nascent entrepreneur to establish the right mindset towards the possibility

of creating their own independent enterprise once they had ‘discovered’ the entrepreneurial idea.

#### **2.2.5.9 Personal attributes**

Personal attributes affect the inner thought processes and external actions of the entrepreneur. They embraced many aspects of what the entrepreneurs considered most important to them, self-belief, one of the entrepreneurs’ key attributes expressed the confidence in their ability to perform. The entrepreneurs’ self-regulatory systems dictated how they controlled, paced and regulated themselves in the pursuit of their goals. Competencies represented the entrepreneurs’ ability to generate new thoughts and behaviours to meet varying circumstances and conditions, drawing on their available knowledge and past experience. They suggested useful ways of conceptualising and studying how the qualities of the entrepreneur influenced the impact of stimuli from environments and situations, and also how each entrepreneur generated distinctive complex behaviour patterns in interaction with the conditions of his or her life. Behaviour that an entrepreneur performed in particular situations, together with the expectancies, subjective values, and goals that were pursued, combined with the entrepreneur’s self-regulatory systems, to plan for the negotiation of the routes to their attainment. Entrepreneurs have the competency and flexibility to construct (generate) diverse cognition and behaviours under appropriate conditions (Mischel 1976). It is this flexibility and the use of the appropriate cognitive action at the right time that fosters an internal environment for the entrepreneur’s creativity.

There were certain core attributes that entrepreneurs possess that form the backbone and foundation of their ‘being’. These are fundamental not only to the entrepreneurs’ ability to create, but to their ability to recognise an idea and have

confidence in their ability to transform the idea into an opportunity. Some of these attributes are now discussed.

#### **2.2.5.10 Self Efficacy**

Self-efficacy was a useful construct in explaining the dynamic process of evaluation and choice, that surrounded the development of entrepreneurial intentions, and the subsequent decision to engage in entrepreneurial behaviour. In order to understand this process, however, it was first necessary to define and describe self-efficacy as a construct. The term self-efficacy was derived from Bandura's (1977b) social learning theory and referred to a person's belief in his or her capability to perform a given task. According to Ryan (1970), self-perception, or the way in which a person perceived his or her abilities and tendencies, played a role in the development of intentions. Similarly, self-efficacy affected a person's beliefs regarding whether or not certain goals may be attained. Self-efficacy is acquired gradually through the development of complex cognitive, social, linguistic, and/or physical skills that are obtained through experience (Bandura 1986; Gist 1987). Thus the acquisition of skills through past achievements reinforced self-efficacy and contributed to higher aspirations and future performance (Herron & Sapienza 1992). The most effective way for individuals to develop a strong sense of self-efficacy was through mastery experiences or repeated performance accomplishments (Bandura 1977a, 1986; Gist 1987; Wood & Bandura 1989). Enactive mastery provided confirming experiences that contributed to positive estimations of future performance (Lent and Hackett 1987).

One of the key factors in the social cognitive theory was the self-regulatory mechanism. This process worked through the entrepreneur's total belief in their

personal efficacy, and concerned their belief in their own capabilities to mobilise the motivation, cognitive resources and other courses of action needed to accomplish their desired goals. Performance successes strengthened the entrepreneur's self-belief of their capability and was further strengthened by experience gained through overcoming obstacles by persistent effort (Wood & Bandura 1989).

In Kruegar's (1995) model, perceived self-efficacy was an important aspect, based on the attributes and resources an individual may possess at any point in time. Attributes may include self-confidence, diligence, perseverance, inter-personal skills, and innovative behaviour. These may be acquired from both nature and nurturing sources. The nurturing influences can be family, education, culture, work, experience, role models, peers and lifestyle. Resources may include finance, experience, knowledge, skills, networks, and track record, and are acquired through many of the processes involved in working and living. Entrepreneurs must be able to perceive the probable outcomes of their endeavours in a favourable light and believe that they have the wherewithal to succeed (Kruegar 1995).

#### **2.2.5.11 Values**

Fagenson (1993, p.422) lists under the heading of 'personal value systems' the following: self-respect, freedom, sense of accomplishment, exciting life, and being honest, ambitious, capable, independent, courageous, imaginative and logical thinking.

Brockhaus and Horwitz (1986) defined values as an organised conception of nature. Sexton et al. (1991) made the observation that values have been shown to be static and to carry over from one situation to another. Brief et al. (1979) discovered that values have been found to exert a strong influence on individuals' occupational choice and vocational behaviour.



Bentell and Bremner (1986:36) 'Individuals' values have been found to be predictive of career fit, and individuals seek careers that are congruent with their value system. 'When such a match occur job satisfaction was typically the case'. This also reflected on the organisation as the type and behaviour of the enterprise created by the entrepreneur often reflected their personal values (Kets de Vries and Miller 1984; Schein 1983). This theme was also followed up by Stuart and Abette (1987) when they stated that the values of entrepreneurs were critical to the formation of an organisation's strategy.

The above observations from the research literature confirmed the importance of the entrepreneur's sense of values in the formation and growth of his or her enterprise. The culture of the enterprise's organisation seemed to mirror the entrepreneur's values. What the literature omitted to comment on, was that the entrepreneur's values constituted one of their core attributes, formed and fashioned early in their life, and as such, was unlikely to change.

When the enterprise was in its formative stage and remained small, the influence of the entrepreneur's values was at its most potent. When the enterprise expanded and broadened its organisational structure, the effect of the value system became somewhat diluted.

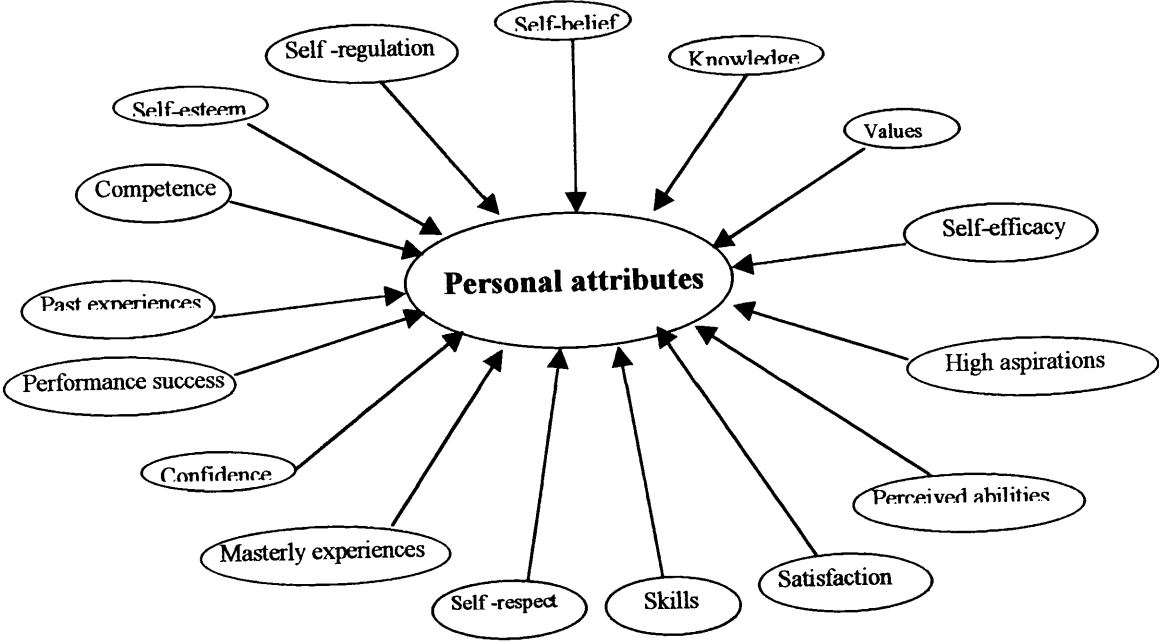
The entrepreneur's sense of values had an important influence on how he or she responded to the stimuli received during the discovery process. It acted as a filtering mechanism. Only the ideas that corresponded to his or her values and principles, and that he or she felt comfortable with, would be programmed for further consideration.

Both Weber (1930) and McClelland (1961) explained that economic growth and the decline of a culture could be explained by the prevailing value system,

especially the role of the ‘need for achievement’ motivation. The assumption was that psychological variables, such as values, intervened between economic stimuli and the reactions and behaviour of people. As a consequence, values were important determinants of behaviour, and values were formed through learning and socialisation by the predominant culture. Values formed the ‘mental software’ shared by the people in a culture: the core of culture can be formed by its values (Davidson 1994).

Figure 2.8 provided a framework of the entrepreneur’s personal attributes which have been derived from the research literature.

**Figure 2.8. Framework of the entrepreneur’s personal attributes**



**2.2.6 Ideas**

The discovery of the idea and its crystallisation into an opportunity constituted the epicentre of the nascent entrepreneur’s creative process, and as such, was central to this research study.

One can liken ideas as seeds, which had suddenly materialised out of thin air blown in the winds of time before landing on barren, stony, or rich fertile soil. Conditions had to be environmentally, sociologically and circumstantially in balance so that the seeds could take root and be nurtured, and with the necessary attention, focusing and alertness, able to be germinated into becoming an exciting full blown opportunity. Many seeds fell on barren ground, others fell on fertile ground, but do not receive the care and attention necessary for germination, still others lay dormant for another time awaiting the right time and conditions. Some did succeed and as a result were able to ensure the propagation of the species. How did these ideas arrive? As with most things it was always easy to explain things with hindsight. In this case it appeared that the seeds came by themselves, unanticipated, unbidden, and often as a complete surprise. Apparently they originated from work, acquaintances, hobbies or as a result of everyday observations of unforeseen events.

A study by Koller (1988) found that most entrepreneurs recognised rather than actively sought out business opportunities, or they learned of the opportunities from someone else or came across the idea during work experience in another field. Perhaps under these circumstances an apt expression for these entrepreneurs would be 'chance takers'. The chance can be referred to as a shift in the structure of the market place opening up a new niche from which the idea came into being.

Vesper (1994) addressed the kernel of the creative process, by analysing how and why ideas come about and materialised. He suggested where they sprung from and how they could be cultivated, together with a helpful list of the 'do's and don'ts' of current best practices for the uninitiated. A search pattern was given to aid the would- be entrepreneur to condition his or her mind to be receptive to incoming ideas or, perhaps more appropriately, stimuli. The term used was 'putting the mind into a

mode' and mentioned the 'searching process,' which operated subconsciously before coming to the surface conscious level. It was very usual for the originator of the idea not to be the one that developed it into an opportunity and vice versa. This process was called the encounter, and it could also, under the correct circumstances, be called a 'partnership'.

The generation of an innovative idea as a mental goal can also be divided into two tasks. The first was to depart from the beaten path and the second was to direct the departure in an effective way. Each of these tasks had a set of obstacles or 'blocks' to be overcome.

Parnes (1975, 1988) proffered a statement that deliberate practice in ideas generation can raise the idea generation rates of individuals. This was undoubtedly true: practice does make perfect, success breeds success, it was easier to do a thing once one has done it before. The effects of such practice persist with time, but that they can also decay if not maintained.

Guilford (1967: p.330) came up with a truism in that suspending judgement and deliberately withholding criticism increases idea output. In creative thinking one was treading a thin path, a tenuous line. The path was subjected to all sorts of currents and undercurrents. It was like the creation of a child, the first period after conception can be so critical. The last thing one wants was disruptive (physical or emotional) force. One does not want to be blown off course, subjected to ridicule or adverse criticism. That was why in the idea stage the entrepreneur usually keeps the cards close to his or her chest, until the idea started to take shape and form, where it can stand up for itself and be if necessary defended. Discouragement was a big demotivator, even for a positive thinking entrepreneur. It will take him or her at least a few hours to recover!

Parnes (1975, 1981, 1988) was of the opinion that the quantity of ideas begets quality. This was difficult to understand as most people are exposed to a myriad of ideas, most of which are perhaps fleeting flights of fantasy and are quickly forgotten. However, out of the avalanche of these thoughts one or two might merit further investigation, and it was therefore difficult to draw the conclusion that this affected the quality.

Guilford (1967: p.170) in making his statement that seeking cleverness in ideas tended to beget fewer but more clever ideas, had a ring of truth about it. If one was trying to make the most out of an idea, achieve differentiation, a market edge, and a competitive advantage, one had to expend more time, resources and thinking effort in order to achieve these aims. Accordingly, there could be fewer in the pipeline awaiting exploitation.

The discovery of new ideas was not a matter of randomly looking around and hoping for something suddenly to materialise. Each venture was highly specific, as was each individual entrepreneur, and the information that is needed for the discovery of the idea was similarly special. Building the habit of generally looking around in the hope of increasing the odds of picking up an idea that someone else may have overlooked was certainly a positive action plan, however, it must be appreciated that the 'discovery' may not be apparent at the time of the search. Persistence over time was needed until some fortunate coincidence (some people call it luck) adds the much needed final element, the last piece of the jigsaw to the discovery.

Arising from a synthesis of the research literature, Figure 2.9 provides a framework of the creative process incorporating the various elements and attributes that are involved interactively.

Figure 2.9. Framework of the entrepreneur’s creative process

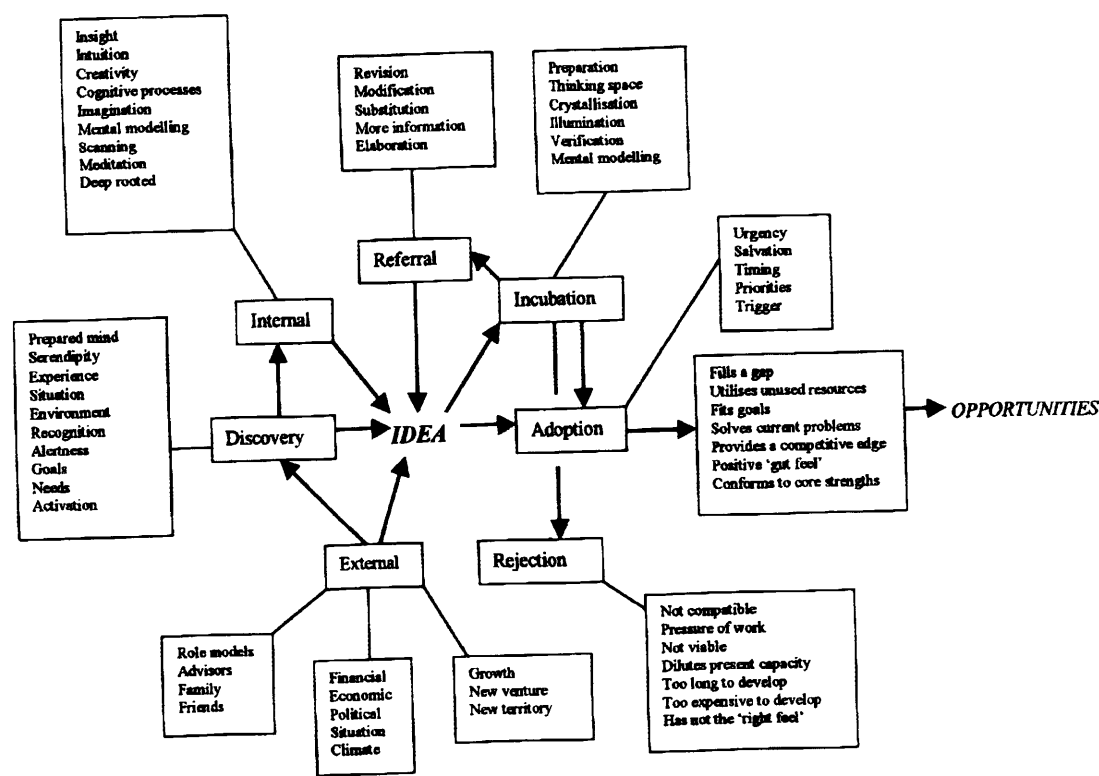


Table 2.5 listed a number of quotes from the research literature relating to the evolution of entrepreneurial ideas.

Table 2.5. The evolution of entrepreneur’s ideas

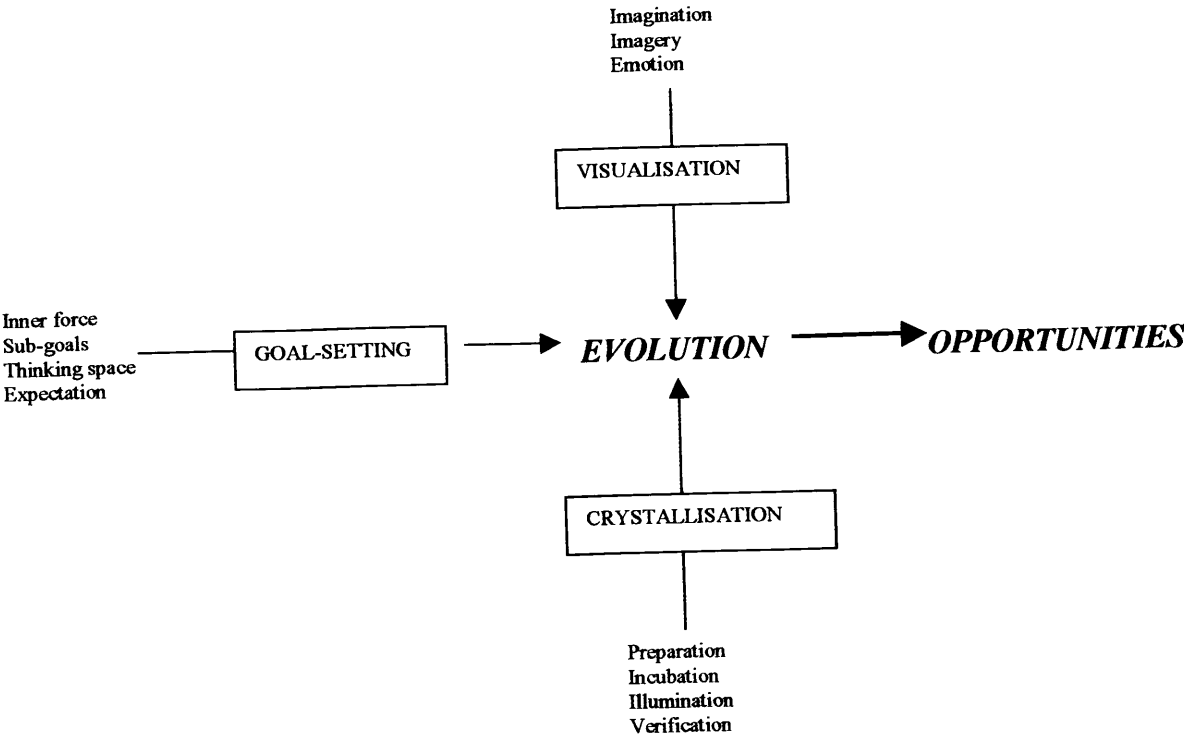
Turning the commonplace into the unique and unexpected Mitton 1989).
Identification of ‘vision’ as part discovery (Greenberger and Sexton (1988).
The first phase involves the perception of awareness of an idea (Olson 1985).
Many felt the ‘pull’ of ideas for a new enterprise (Cooper and Dunkelberg 1987)
Ability to spot unique opportunities where others see nothing at all (Mitton 1989)

2.2.7 Evolution

The transformation of the ideas into opportunities represented the evolution stage of the creative process and was one of the main research objectives. Not all the ideas survive this stage: some were referred back for more information, the timing may not be right, or the project may not command high enough priority. Some, of course, were rejected or more likely put on a ‘back burner’, waiting for the right time. The successful ones, now called opportunities, were passed to the innovation stage of entrepreneurship.

Figure 2.10 provided a framework of the main elements arising from the research literature that appeared to be involved.

Figure 2.10 Framework of the evolution process



### 2.2.7.1 Visualisation

Visualisation was a key component of the evolution process and was one of the main techniques that effective leaders used to inspire followers to perform exceptionally well. Lock (1991) mentioned that a vision includes several elements, such as expecting high performance and instilling confidence in the follower's ability to reach the vision.

Even though entrepreneurs were anchored in the here-and-now, they also envisage what was to come. Like charismatic leaders, entrepreneurs used images to guide their organisations into the future, towards ideals and situations that do not as yet exist. In a study of entrepreneurial executives, Rockey (1986) found that visualisation played an important role in helping these executives to clarify the organisation's purpose. To dispel the negative thoughts of others, to plan facilities, to hire employees and so forth, the entrepreneur's visualisation, together with his or her persistent efforts, were thought to sustain the new enterprise during its early and most vulnerable years (Reynolds 1987; Star and Massel 1981).

Visualisation can be defined as a projection, an image projected into the future of the place the entrepreneur wanted his products to occupy in the market, and the type of enterprise needed to get there. It referred to the future destination of the enterprise. It offered to the entrepreneur, a guiding framework to help him or her get where he or she wanted to go. One can question what is the difference between visions, dreams, and hallucinations? Visualisation, of course, included some intuition and, above all, imagination, but unlike dreams, vision was about real actions to be carried out. A visionary may be defined as a dreamer who wanted to achieve, in fact, entrepreneurs who have developed a vision seem to have called on their imagination,



reflection, judgement, and concentration for the purpose. It is a fact that the capacity to articulate a vision required the ability to imagine one or more future scenarios.

Filion (1991) proposed that the visionary process incorporated four elements supporting the vision, each having reciprocal effects on the others. The elements were: Weltanschauung, Energy, Leadership and Relations. Weltanschauung (a German word much used by author, Max Weber) was the prism through which an individual sees the world. It includes values, and was perceived as significant when the surrounding reality was fettered through values, attitudes, humour and intentions. The concept of Weltanschauung was interesting for understanding entrepreneurs. What was relevant was not what was actually in the real world, but what the entrepreneur thinks was there. An entrepreneur cannot easily decide what he or she wants to become without first realising what he or she is. One of the first exercises in the process of developing a vision was to understand one's own history: the values, and models resulting from the family background, work experience, formal education, informal education, beliefs, and relations system. In addition to his or her education and the models that surround him or her, the entrepreneur's self-perception and the role he or she defines for himself or herself seems to influence his or her Weltanschauung (Filion 1991, p. 23).

Energy affects the time allocated to professional activities and the intensity with which they were carried out. His or her Weltanschauung or values influenced what energy an individual was prepared to invest in his or her professional life. Energy spent may have conferred more leadership, brought an entrepreneur to devote more time to the creation and maintenance of relationships or articulating a vision, and all these activities put together may result in the Weltanschauung being adjusted. In addition, energy devoted to assuming leadership will return at least part of the

energy to the entrepreneur in one form or another, and sometimes even more than the energy originally invested.

Leadership resulted from the *Weltanschauung*, energy and relationships, it also influenced by each of these elements. Its importance in the visionary process resulted from the impact it had on the level of the vision and the extent of what the entrepreneur wanted to achieve, and this in turn determined to a large extent how far his or her vision will go. The vision formed part of a continuous process, which was adjusted periodically (Filion 1991).

A visionary process offered a framework for reflection and action. Its essential elements seemed to be the development of imagination and creativity and most important, the ability to channel energy according to objectives the entrepreneur wanted to realise. Rockey (1986) reported that some entrepreneurs used visual imagery in the process of starting enterprises. 'Entrepreneurial highs' including enthusiasm, excitement and a sense of having fun were sometimes experienced. Visions of success helped sustain the needed energy level and provided task-related motivation.

In his empirical research, Rockey (1986) found that entrepreneurs applied visualisation strategy in a number of ways, they felt it contributed to their decision-making to vividly imagine the outcome. It helped them in forecasting by 'seeing' and anticipating forthcoming events. The entrepreneurs prepared for these future events by rehearsing various strategies and outcomes. They used the 'drafting boards inside their heads' to work out details and to mentally test out the workability of plans. Mental rehearsal of events, presentations, discussions and negotiations all contributed to the success of those activities (Rockey 1986).

Some of the respondents of Rockey's research made the following comments:

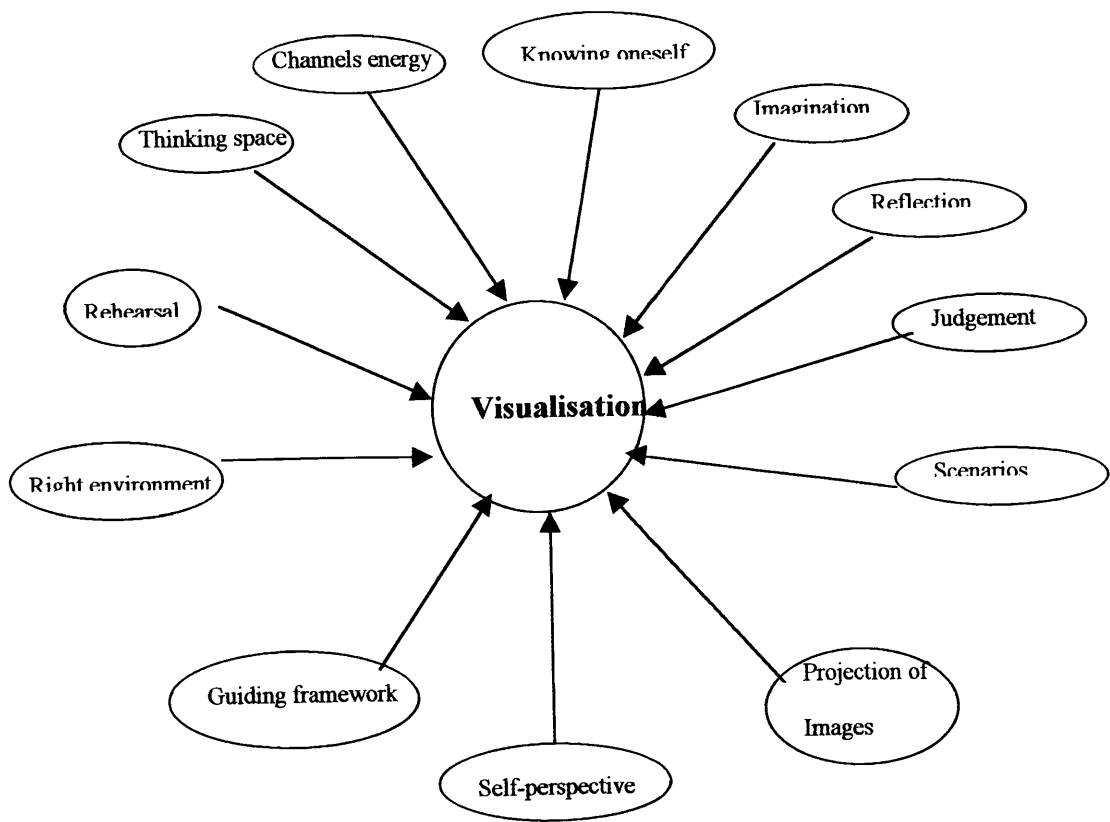
Sharing the vision enables the organisation to see the big picture while responding to constant environmental changes with the spin off benefits such as heightened morale and enthusiasm. Visualisation helped to keep one going, made the project fun, and kept the challenge and excitement alive. It took the dream to keep the energy alive and visualisation provided the encouragement to persevere. Visualisation helped most in terms of internal motivation. Dreams and mental imagery allowed one to plan and achieve goals and objectives.

Visualisation was akin to writing a book, one had the story line, the plot and the ending completely outlined in one's mind. Once the event had been visualised, it was like a learning experience, it was as though one had been there and one had it in one's head permanently. It matched the event very closely. Some used the expressions 'déjà vu' or 'it was as if one had been there before,' (Rockey1986).

Just as one can relive one's memories, one had also the capability to 'pre-live' experiences that one wanted to happen in the future. After all, that was the real purpose of 'goal-setting'. By visualising one's goals, not only can one preview 'coming attractions', one can dramatically enhance the motivation for making these goals come true.

Figure 2.11 provided a framework of the key elements of visualisation arising from the research literature that were involved interactively in the imagination, projection of images, the use of scenarios coupled with the right environment and thinking space for judgement and reflection. The necessary starting point required a sense of reality and the correct self-perspective.

**Figure 2.11 Framework of the visualisation elements**



**2.2.7.2 Goal-setting**

Entrepreneurs had a set of goals they sought to accomplish when they decided to initiate a new enterprise. These goals varied for each entrepreneur, some sought to rapidly grow a firm, cash out, and retire or move on, while others may simply sought to be their own boss. Others may have attempted to provide financial security for current and future family generations. Bird (1988, p.444) commented ‘that the entrepreneur’s intentions determine the form and direction of an organisation at its inception. Subsequent organisational success, development (including written plans),

growth, and change are based on these intentions, which are modified, elaborated, embodied, or transformed.

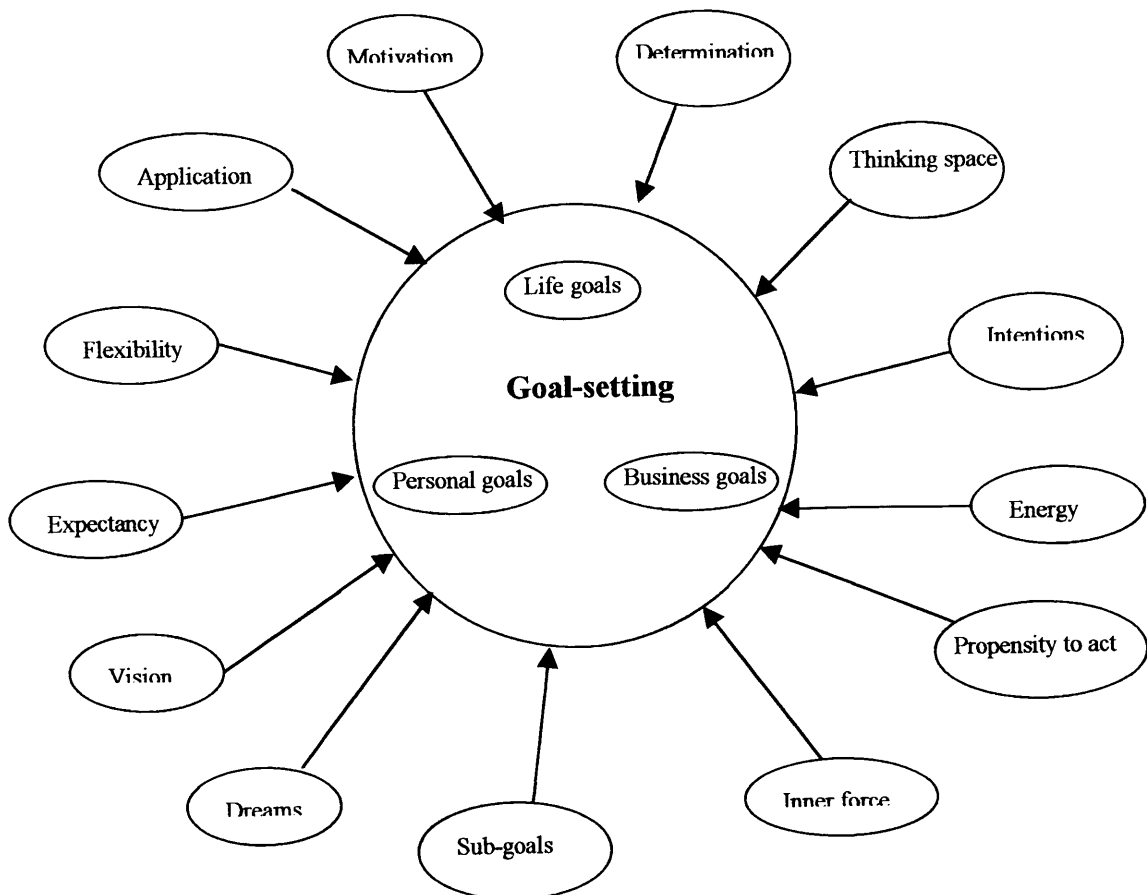
Everyone had an energy bank deposited in one's body, like a bank account of one's life force. Research had indicated that entrepreneurs seemed to be blessed with a very high energy level, inherited from birth and consolidated during the early part of their life by careful handling, encouragement, guidance, and above all, real-life challenges and experiences. Goals played their part in concentrating this energy. This was accomplished by defining what needed to be done and setting reasonable time limits in which to do it. It was also essential to focus this energy. An entrepreneur with focused, concentrated goals was very much like a laser beam. Laser technology and effective goal achievement were based on the same scientific principles. When light waves were concentrated, focused, and in step, they produced a beam of pure light with incredible power. When goals were kept in focus and were approached in orderly progression, they ignited the human mind's powers of accomplishment and creativity.

Dreams were the creative vision of one's life and what one would like one's life to become. Goals were the specific events that one intended to make happen and should just be beyond reach but never out of sight. It was not just sufficient to set goals if one did not have the firm belief that they will be achieved. As positive energy, belief was the promise that hoped-for goals will be achieved. As negative energy, it was the premonition of one's deepest fears and unseen feelings of inadequacy. Successful entrepreneurs believed in the validity of their own dreams, they had clearly defined goals and action plans. They had a specific sense of direction, and that direction was based on their own desires, not those assigned by someone else. They made their plans work by exerting effort, energy, and whatever time it took to reach

their goals. They became adaptable and flexible. They welcomed change and were always alert to the opportunities that usually accompany it.

Figure 2.12 summarised the various attributes which, from the research literature, were considered to be important by entrepreneurs in their goal-setting process.

**Figure 2.12 Framework of the main elements in setting goals**



### 2.2.7.3 Inner force

The best motivator for achieving one's goals was the 'inner force' which inspired one to develop an idea, solve a problem, fill a need, to do something special – this was known as 'intrinsic motivation'. There were also extrinsic motivations, of which the desire for money was a prime example. Very often having an idea becomes

a goal, especially when one recognised that it met a need in one's life. Then the motivation in achieving this goal depended on how strong one's need was, and whether one had the necessary determination, optimism, and toughness to follow these ideas to fruition. Entrepreneurs had these necessary attributes. Determination gave the resolve to keep going in spite of 'roadblocks' that lay ahead. Optimism gave an energy boost and focused one's sights towards reaching these goals, rather than wallowing in setbacks and difficulties. Toughness gave the resilience to keep pressing on, even if one's determination and optimism starts lagging. All three combined to keep goals in focus, despite delays, frustrations and setbacks, which one always found along the way to ultimate success.

#### **2.2.7.4. Sub-goals**

The importance of having goals has been outlined. There was also the need for sub-goals to be used as stepping stones along the path towards achieving these goals. Sub-goals helped to ease the passage and to withstand the trials and tribulations found along the way. There was the need for flexibility, as one's goals had to be flexible enough to survive the constantly changing environment, situations where new courses had to be plotted and when long held beliefs about oneself and where one was going were challenged and might ultimately vanish. At these traumatic moments of sudden transition, one was experiencing the effects of 'chaos'. Being of positive mind it was appreciated that this was a natural phenomenon, which by its presence presented opportunities. Although change was becoming more commonplace in today's world, it was never easy and it was usually accompanied by a considerable sense of discomfort. When it happened, as it undoubtedly does, it was important that one was ready to meet the challenge and to seize the opportunity that it afforded. Entrepreneurs were of course past masters of this.

### **2.2.7.5 Thinking space**

There were two more important stages in the goal-setting procedure. The first was having the right environment to be able to think, having one's own problem space, life space, a place and time for solitude and reflection, an opportunity to communicate with one's inner voice. This cannot realistically take place in the crowded, demanding business day, or when one was involved in the hustle and bustle of family life. Travelling often afforded the opportunity for quiet reflection, as did walking the dog, sailing and spending time in the hills. Early in the morning or last thing at night often provided this quality thinking time. The second was to formalise one's dreams, goals, and sub-goal objectives, by writing them down, rehearsing them, setting time-scales and dates on their anticipated attainment, monitoring, and, when necessary, revising them to meet changing conditions and the affect that chaos had on them.

### **2.2.7.6 Expectancy**

Goal-setting and expectancy theories were two prominent theories of motivation (Locke et al. 1986). Goal-setting theory held that once a goal was accepted, the only logical thing to do was to try one's hardest until that goal was achieved or until one decided to relinquish the goal (Locke 1968). Specific, challenging goals resulted in higher levels of performance than vague or easy goals (Meindl et al. 1985). The expectancy theory held that individuals choose effort levels with the greatest motivation force that lead to valued outcomes (Vroom 1964).

The expectancy of a goal and demand for a goal could be termed the determinants of impulse to action. Self-expectation not only empowered one to strive for one's objectives, it continued to motivate even after one has reached one's initial



goal. Once one believed that one can meet a major challenge successfully, one finds that the motivation to achieve had been strengthened rather than diminished by this feeling – hence the saying ‘success breeds success’. In the account of many of the entrepreneurs’ life paths, early successes in aspects to which they had set their minds and for which they had established goals, seemed to give them added incentive to achieve more and certainly paved the way for their ultimate entrepreneurial successes.

### **2.2.8 Crystallisation phase**

There were certain clear-cut phases in crystallisation of creative thinking such as:

**Preparation** – In which the individual acquired the knowledge and skills related and relevant to the venture opportunity to be discovered. This statement is difficult to reconcile with the concept that ideas came from many sources and trains of thought. How can one prejudge where the idea was going to come from?

**Searching** – Where the individual wants to find new directions of activity and reflects on the possibilities for doing so. The triggering event, which had instigated this action, played a significant factor in the search process.

**Frustration** – This was quoted as arising when the opportunity or better idea does not crop up when desired. Consequently the individual stopped reflecting and moved on to other things. It was most unusual for things to go strictly according to plan. Ideas cannot be called upon to materialise at will, nor was conversion guaranteed. What was guaranteed was that despite setbacks and difficulties the true entrepreneur would immediately bounce back and find other ways to achieve his or her objective. Bono (1993) water logic is a good illustration.

**Incubation** – takes place subconsciously while the individual was engaged in mundane activities. This was a very important part of the creative process and was

practised by most entrepreneurs. It was also used in problem-solving to great effect. There was some debate as to whether it was fully an unconscious function. The subconscious was not listed as a function of the mind in most of the psychology literature. It seems that it was either 'black or white' with no recognition of a twilight zone. Incubation was sometimes referred to as the 'back burner'.

Discovery was supposed to occur quite unexpectedly, perhaps as the result of an external event or change in circumstances, or possibly from revelation inside the individual's mind. Wallas (1926) referred to this stage as 'verification' and 'illumination', Turner (1994) as the 'eureka' experience, and Koestler (1970) as the 'aha' moment. It was certainly the 'key' event that made the next stage of the discovery process possible. Wallas (1926) analysed the thought processes. His purpose was to aid education and the control of thought. His method was a subjective analysis of his own thoughts, reports of his students and friends, and published anecdotes. According to Wallas, these stages were as follows:

**Preparation** – In the preparation stage of the problem of problem solving, the solver had recognised that a problem exists, and some preliminary attempts at understanding and solving the problem have been made.

**Incubation** – If the preliminary attempts fail, the solver may then put the problem aside for a while. At least on a conscious level, the thinker was no longer working on the task. However, at some unconscious level, work proceeded.

**Illumination** – Illumination referred to the famous flash of insight that ends the unconscious work and brings the answer to the surface of consciousness.

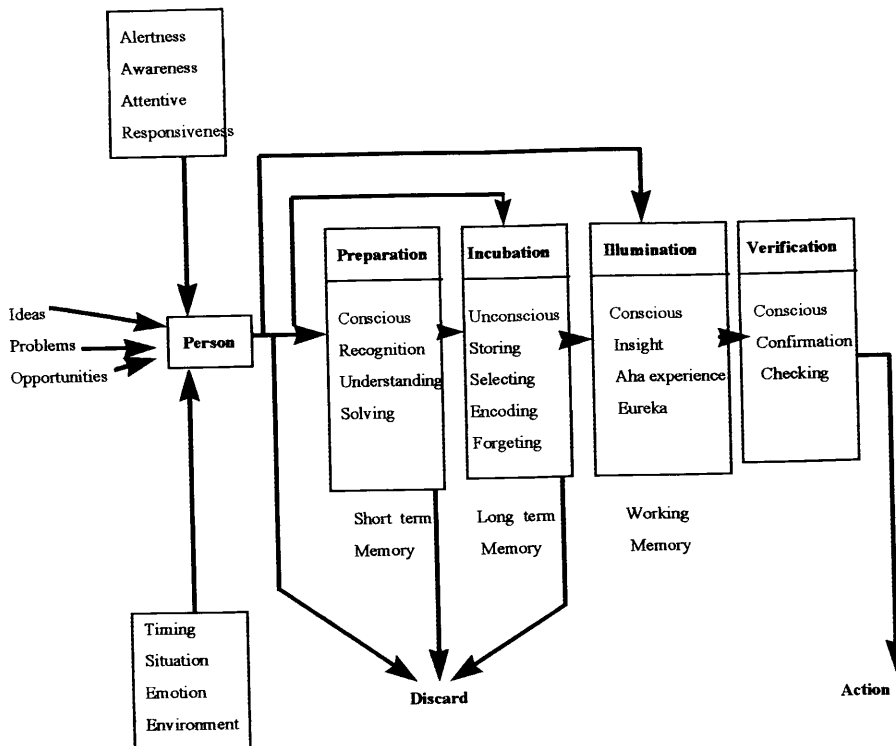
**Verification** – The verification stage referred to the confirmation of the insight. Generally, this stage was the least complicated and was usually nothing more than a simple checking to make sure that the insight worked.

As Wallas (1926) described it: ‘The incubation stage covered two different things, of which the first was the negative fact that during incubation one did not voluntarily or consciously think on a particular problem. The second was the positive fact that a series of unconscious and involuntary mental events may take place during that period.’

Anderson (1990: p.388) stated that problem solvers frequently report that after trying and getting nowhere on a problem, they can put the problem aside for hours, days, or weeks and then upon returning to it, can see the solution quickly. Numerous examples of this pattern have been reported. The famous French mathematician Poincare reported one example by saying, ‘then I turned my attention to the study of some arithmetical questions apparently without much success and without a suspicion of any connection with my preceding researches. Disgusted with my failure, I went to spend a few days at the seaside, and thought of something else. One morning, walking on the bluff, the idea came to me, with just the same characteristics of brevity, suddenness and immediate certainty, that the arithmetic transformations of indeterminate ternary quadratic forms were identical with those of non-Euclidean geometry.’

Figure 2.13 illustrated the various stages and elements of the crystallisation phase of the creative process as described in the research literature.

**Figure 2.13 Framework of the crystallisation process**



### 2.2.9. Opportunities

Sometimes having an idea and seeing the opportunity to exploit it occur almost simultaneously. However, in the majority of cases there invariably was a time lag between the two.

An opportunity was as real an ingredient in business as raw material, labour or finance, but it only existed when one could see it. When people were faced with a problem they often devised a solution that not only solved the problem, but also opened up an opportunity. To many people, an opportunity was a high-risk speculation. However, a true opportunity was not a high-risk area, as it should be obvious in its benefits. What was really risked was the thinking time taken to consider an opportunity and to bring it to a stage where it was obviously worth pursuing. During the thinking process the promise of benefits may wax or wane and go through

many cycles. Benefits may be shown to be illusory or smaller than was initially supposed, or be as imagined, but the cost difficulty of achieving them may in effect diminish their value. At first sight the exploitation of an opportunity may not appear possible, but with focused thinking the possibility of doing so should increase. There must be some tangible benefits at the end of the road. Once a person has embarked on exploiting an opportunity he or she needs to generate his or her own motivation, by discovering the possible benefits of going further.

A positive attitude towards the exploitation of the opportunity was vital to its success. It is not much use dreaming up opportunities if there was no one willing or able to do anything about them. The success or failure of an enterprise depends on how adroit the entrepreneur was at opening up good opportunities and how good the entrepreneur is at avoiding mistakes. With a problem one looks for the solution, and with an opportunity one looks for the benefits. If one cannot see and define the benefits there was no opportunity. One may have doubts about one's ability to achieve the benefits, because of uncertainty and risk factors, but one must, nevertheless, be able to spell them out. One might have also adopted a positive thinking attitude and looked for those aspects of an opportunity that seemed promising, ignoring the deficiencies. However, there comes a time when one has to be specific and ruthlessly honest. The idea has been nourished and given a chance to develop. Now that it has developed into an opportunity it has to appear before the judgement board for the ultimate decision. There must be a pre-planned point at which a project can be abandoned. Otherwise, from moment to moment, it will always seem to make more sense to put in a little more effort and money in order to avoid wasting what has already been invested, and because the feeling was that success must just be around

the corner. Ideally, cut-offs should be considered in advance when the opportunity is being evaluated, feelings are more in balance and emotions are under control.

The entrepreneur in the innovation process within entrepreneurship carries out the exploitation process of the opportunity.

Creating new enterprise opportunities seemed to become easier after the first one, giving rise to the corridor principle. The corridor principle states that the process of beginning a new enterprise helps entrepreneurs visualise other opportunities that they could not have envisaged or take advantage of until they had started their initial enterprise (Ronstadt 1988).

### **2.3 Summary**

In the review of the history of the entrepreneur the contributions of Schumpeter, Shackel and Kirzner had particular significance to the objectives of this research in that their research studies referred to the role of imagination, creativity and innovation in the entrepreneur's creative processes. Reference is also made to the requirement for background knowledge, skills, alertness to the opportunity, being action-orientated, operating under uncertainty, the need for vision, perception, carrying out new combinations and the special thinking processes that indicated their relevance and importance.

The literature listed a number of factors as being typically entrepreneurial. These are determination, persistence, commitment, internal control, self-reliance, adaptiveness, personal values, motivation, life experience, education, work experience, energy, flair for creativity, innovation, and exploitation of opportunities.

The nascent entrepreneur's learning processes appeared to start very early in his or her life, highlighting a number of important aspects in the development of his or

her creative processes such as energy level, drive, confidence, self-belief and self-efficacy gained through successes and overcoming setbacks and failures. This had the additional benefit of establishing within the individual a positive mind-set towards whatever task was taken on. Goal-setting directed entrepreneurs on to the chosen path and their determination and persistence ensured that they stayed on track. The importance of family guidance, role models and mentors helped to guide their actions. There was an appreciation of the need to gain knowledge and work experience in order to develop the skills that benefited them in later life as well as the need to earn a living and be independent. The most effective driving force appeared to be the need to prove themselves to themselves as well as to others.

Most entrepreneurs experienced critical incidents, epiphanies in their lives, many of which have led to significant changes in their lifestyle. In certain cases, it was the final 'push' or 'triggering event' for them to do what they always wanted to do but did not have the courage or inclination to disturb the status quo or the 'comfort zone'.

A number of factors have been illustrated that lead to the triggering event that 'prepares the mind' for the task ahead. It was also at this critical stage that the mind started the 'scanning' process for the idea that can lead to a business opportunity.

An attempt has been made to look into the 'black box' in order to shed light on what was meant by the term creativity. It explored the differentiation between 'innovation' and 'creativity', and illustrated the inter-relationship between the person, place, product and the support necessary for creativity and, in particular, discovery to materialise. It stressed the importance of having the right environment for the seed of the creative thought to germinate.

A glimpse has been given of some of the cognitive processes that the entrepreneur has at his or her disposal. It is hard to appreciate that so many 'cognitive tools' are at one's disposal in the search for entrepreneurial ideas and opportunities. The fact that most function unconsciously adds to the mystification.

Interwoven into the process of creation at every phase was the influence of the entrepreneur's personal attributes. The entrepreneur's self-efficacy and total self-belief based on their perceived abilities, tendencies and experience formed an important foundation. Through their perceived skills, their self-efficacy was reinforced and led to higher aspirations. The skills of self regulation arising from the entrepreneur's total belief in their personal efficacy and own capabilities gave confidence for achieving performance successes.

The value systems of entrepreneurs played an essential part in how they conducted their affairs and appraised situations. This arose from their self-respect, self-esteem, and a sense of honesty that had been fashioned in early life and reinforced by their sense of accomplishment. Entrepreneurs' value systems can also affect their judgements, what they considered important and hence the determinants of their behaviour. It can also influence the culture of their enterprise.

Satisfaction seems to be an important monitor and influence in the entrepreneurial equation. It was referred to as the 'gap filler': the gap being the difference between what the entrepreneur wanted or felt entitled to, and what they actually experienced. The entrepreneur has his or her own personal frames of reference that measured their success or failure. Any shortfall in the actual rewards or performance compared to their individual goals and expectations will cause dissidence.



The literature on entrepreneurial ideas indicated the necessity of putting the mind into an appropriate mode. It outlined the mental scanning processes involved and the importance of alertness and awareness. It recognised that ideas can occur by chance rather than be actively sought and that the originator of the idea may not be the one who developed it into an opportunity and vice versa.

Entrepreneurs have the undoubted ability to visualise their goals. In their special thinking space, they became relaxed, let their mind focus on who they really want to become, or what they wanted to achieve. In many instances, entrepreneurs recount that after visualising a situation, when the real live occasion occurs they felt they had been there before, it was old hat, they already knew what the outcome was going to be. Visualisation became a very powerful mind tool.

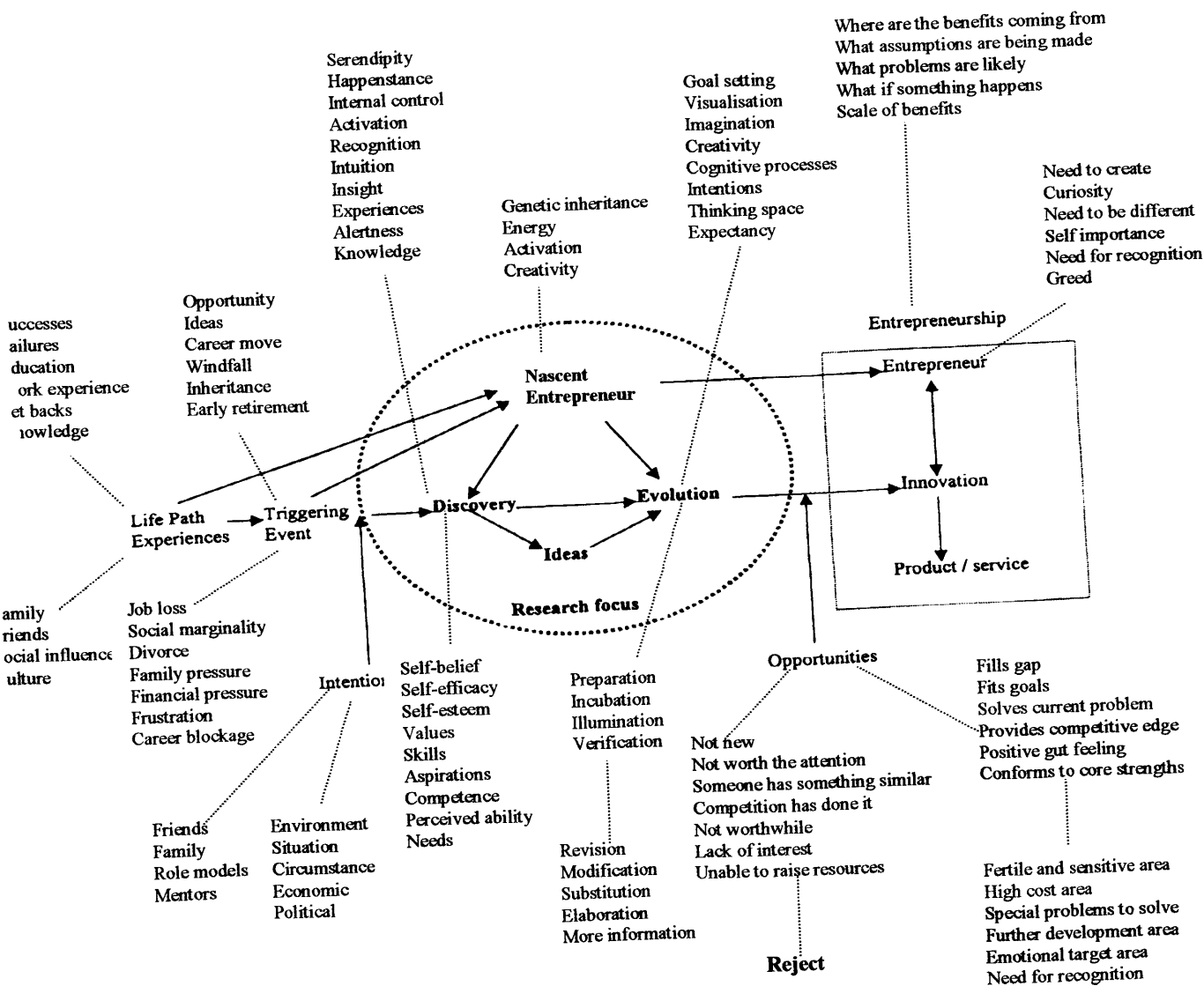
Goal-setting provided the path to the achievement of the entrepreneur's vision and other objectives. Goals however needed sub-goals as stepping-stones to ease the path, to monitor progress and to maintain enthusiasm. Having goals was more important than their achievement; it provided focal points, targets, and challenges. Goals had to be flexible and if necessary reappraised to meet changing circumstances.

The research theories contained in the literature have indicated the multifaceted and holistic aspects of the nascent entrepreneur's path to the discovery, recognition, and harnessing of the entrepreneurial idea and its evolution into an opportunity. The many elements involved in the process such as serendipity, intuition, insight, experience, knowledge, energy levels, activation, control, self-belief, self-efficacy, values, expectancy, inner force, thinking space, visualisation, goal-setting, incubation process and the importance of having a prepared mind will be used to benchmark and analyse the rich data arising from the entrepreneur's personal histories, to confirm the content and structure of the discovery and evolutionary

processes involved as a new synthesis of the research literature as outlined in Figure 2.14.

The analysis will determine how many of these key elements are identified within the entrepreneurs' personal histories, as well as the establishment of any generic themes between the entrepreneurs interviewed.

Figure 2.14 Framework of the elements involved in the creative process



### 2.3.1 The Research Questions

From the evaluation of the literature and with reference to the research objectives, a number of research questions concerning having a prepared mind, happenstance, intuition, self-belief, values, visualisation and goal-setting need to be addressed. These questions have been listed in Table 2.6 and will be examined along with the data from the entrepreneur's own personal histories in order to determine any themes. Answering these questions will enhance our understanding of the entrepreneurs' mental modelling approach to the discovery and evaluation of their ideas and through this understanding encourage other nascent entrepreneurs to create their own entrepreneurial enterprises.

**Table 2.6 Research questions**

- |      |  |
|------|--|
| RQ 1 | Does having a 'prepared mind' constitute an important factor in the discovery of ideas?  |
| RQ 2 | Do ideas ever occur by chance, if so how many and in what context?   |
| RQ 3 | Does intuition and gut feeling play an important part in the entrepreneurs' decision taking?   |
| RQ 4 | Does it appear that having self-belief and self-efficacy forms an important basis of having confidence and ability to make decisions?          |
| RQ 5 | Do sense of values and principles formed in early life help to establish standards of business behaviour?                                      |
| RQ 6 | Does having special thinking places and quality thinking time help to develop the ability to harness and crystallise ideas into opportunities? |
| RQ 7 | Do many of the entrepreneurs use visualisation and rehearsal techniques in order to achieve their objectives?                                  |
| RQ 8 | Does the use of goal- setting techniques help to achieve business objectives?  |

The following chapter provides a selected review of the literature on research methodology and describes the reasoning and content of the approach taken to discover, rediscover and verify the assumptions made in the preceding chapters. As well as the method adopted to achieve the research objectives and to provide the answers to the research questions set out in Table 2.6. It describes the method of data collection and analyses.

### **Chapter 3**

## **Research Methodology and Data Collection**

## **Chapter 3**

### **3. Research Methodology and Data Collection**

#### **3.1 Introduction**

The idea of studying the entrepreneur behaviourally is an easy one to contemplate but is more difficult in the execution. There are many facets of human behaviour that can be examined, ranging all the way from physiological phenomena through psychological considerations to broad social influences.

The objectives of the research are to determine and understand the way entrepreneurs discover ideas, and how they transform these ideas into opportunities. This transformation process has to be researched against the backdrop of their creative thinking process and the constellation of their values, goals, desires, attitudes and beliefs.

The whole orientation of the research is geared to achieve a greater understanding of the thinking and actions behind the entrepreneurs' discovery processes. To achieve this end, it is considered that a snapshot, cross-sectional approach would not give sufficient scope in achieving the research objectives. The preferred method is to carry out in-depth interviews with a cross section of entrepreneurs. Also, after a period of one year to hold a number of follow-up meetings in order to monitor the progress of new ideas that many of the entrepreneurs had expressed, and to share with them the findings from the first interviews.

The research methods selected are determined from the research aim and objectives, the research questions and from the literature relating to, and typical of, exploratory research of this kind. This comprised the cognitive anthropology approach to qualitative research, primarily using an interpretative approach but also 'counting

the countable'. The research utilises the primary data collection technique of obtaining descriptions from 'in-depth' personal histories to achieve its objectives.

In carrying out the interviews I had the distinct advantage of having had a wide experience of entrepreneurship. The similar business background made an important contribution towards my understanding of the entrepreneurial business culture, terminology and problems. The relevant experience was also important in being able to establish the right level of relationship, rapport and empathy with the entrepreneurs, considered so essential with this type of research. However, I have to acknowledge that my background could also have been termed a disadvantage as I might have been construed as having pre-formed ideas', thus I took particular care to maintain a detached perspective

I recognised the importance and the need for observance of the ethical issues involved in research of this nature, in particular, the need for confidentiality of the subject, source, and the information obtained. I also ensured that the entrepreneurs were kept fully informed as to the purpose of the interview, explaining how the information is to be used. My willingness to share the interview findings with them at a follow-up meeting at some later date, all ensured the correct relationship.

### **3.2 Selected literature review of research methodology**

The differences between qualitative and quantitative research had to be tackled in order to justify the approach taken. Quantitative research emphasises the measurement and analysis of causal relationships between variables, not processes. Inquiry is purported to be within a 'value-free' framework. Qualitative research stresses the socially constructed nature of reality, the intimate relationship between the researcher and what is studied. Both qualitative and quantitative researchers are concerned about the individual's point of view. However, qualitative researchers are

of the opinion that they can get closer to the individual's perspective through detailed interviewing and observation. The argument is that quantitative researchers are seldom able to capture the subject's perspective because they rely on more remote, inferential, empirical materials. Many quantitative researchers regard the empirical materials produced by the qualitative, interpretative, methods as unreliable, impressionistic and not objective. However qualitative researchers are more likely than quantitative researchers to confront the constraints of the everyday social world. Whereas quantitative researchers abstract from this world and seldom study it directly. They seek a nomothetic or etic science based on probabilities derived from the study of large numbers of randomly-selected cases. Qualitative researchers are committed to an emic, ideographic, case-based position, which directs their attention to the specifics of particular cases (Denzin and Lincoln, 1994).

A generic definition of qualitative research is that it uses multiple methods, that involve an interpretative, naturalistic approach to its subject matter. This means that qualitative researchers studies phenomena in their natural settings, and attempt to make sense of, or interpret phenomena in terms of the meanings people brought to them. Qualitative research involves the studied use and collection of a variety of empirical materials – case study, personal experience, introspective, life story, interview, observational, historical, interactional, and visual texts – that describe routine and problematic moments and meanings in individuals' lives. Accordingly, qualitative researchers deploy a wide range of interconnected methods, hoping always to obtain a better fix on the subject at hand (Denzin and Lincoln, 1994).

The nature of the research questions dictated the methods that were employed in this research study namely an interpretative interactionism and postpositive qualitative research method (Guba and Lincoln (1994).



### 3.2.1 Qualitative data

Qualitative data uses interviews as a source of well-grounded rich descriptions and explanations of processes in identifiable local contents. With interview data one preserves the chronological flow, see precisely which events lead to which consequences and derive fruitful explanations. Good interview data lead more likely to serendipitous findings and to new integrations; they help researchers to get beyond initial conceptions and to generate or revise conceptual frameworks. The findings from qualitative studies have a quality of ‘undeniability.’ Words especially organised into incidents or stories, have a concrete, vivid, meaningful flavour that often proves far more convincing to the recipient than pages of summarised numbers (Miles and Huberman 1994: 1)

### 3.2.2 Strengths of qualitative data

The following is a collection of views from the research methodology literature concerning the strengths of qualitative data.

- They focus on naturally occurring, ordinary events in natural settings so that one can have a strong handle on what real life is like.
- They are collected in close proximity to a specific situation, rather than through the mail or over the telephone. The emphasis is on a specific case, a focused, bounded phenomenon embedded in its context. The possibility for understanding latent, underlying, or non-bias issues is strong.
- The data is rich and holistic, with a strong potential for revealing complexity. Such data provides ‘thick descriptions’ that are vivid, nested in a real context and has a ring of truth that has a strong impact on the recipient.
- The data are typically collected over a sustained period, which makes them powerful for studying any process, including history. One can go far beyond

snapshots of ‘what’ and ‘how many’ to just how and why things happen as they do so. One can even assess causality as it is actually played out in a particular setting.

- Qualitative studies are inherently flexible, data collection times and methods can be varied as a study proceeded and this gives further confidence that one really understands what is been going on.
- Qualitative data, with their emphasis on people’s ‘lived experience’ are fundamentally well suited for locating the meanings people place on events, processes and structures of their lives: their perceptions, assumptions, prejudgements and presuppositions and for connecting these meanings to the social world around them (van Manen 1977).
- Qualitative data has often been advocated as the best strategy for discovery, exploring a new area and developing and testing hypotheses.

(Miles and Huberman 1994:10).

### **3.2.3 Postpositivism**

Postpositivism represents efforts of the past few decades to respond in a limited way to the most problematic criticisms of positivism, while remaining within the same set of basic beliefs. Postpositivism is basically the rejection of the central tenets of positivism, by recognising that reasoning and common sense are essentially the same process, the only difference between them is the degree of difference. The positivist’s view of the world is to understand it well enough so that one could predict and control it.

One of the most common forms of postpositivism is the philosophy called critical realism which recognises that all observation are fallible, has error and is critical of the ability to know reality with certainty. Where the positivist believes that the goal of science is to uncover the truth, the post-positivist critical realist believes

that the goal of science is to hold steadfastly to the goal of getting it right about reality even though one could never achieve that goal. (Trochim, W.K. 1999).

The post-positivist does not claim that individual studies produce results that are free of the effects of researcher biases and values. The postpositivist claims that the research program as a whole provides a progressively-improving guide to what one should believe. The progressive nature of research programs depends as much on factors operating outside of individual studies.

Human behaviour, unlike that of physical objects can not be understood without reference to the meanings and purposes attached by human actors to their activities. There is nothing in the post-positivist paradigm to exclude reference to the meanings attributed by persons to their behaviours.

From the above theory, an element of the qualitative research approach used in the analysis of the data from the entrepreneurs' personal histories can be termed postpositivism, in so far that the hierarchical rating of the themes is 'counting the countable' (Cassell C. and Symon G.1995). Another justification is the critical realism of the research approach where one has to be critical of the ability to uncover the knowledge of the creativity process with certainty (Trochim W.K. 1999). The methodology adopted in the research supports postpositivism in so far as the interviews are carried out in the natural settings, reintroducing discovery as an element and soliciting emic viewpoints to assist in determining the meanings and purposes that the entrepreneurs ascribe to their actions (Denzin, N.K. and Lincoln, Y.S. 1994).

### **3.2.4 Interpretative interactionism**

The heart of interpretative interactionism lies in thick descriptions, thick interpretation, and deep, authentic understanding. As a distinctly qualitative approach

to social research, interpretative interactionism attempts to make the world of lived experience directly accessible to the researcher. The focus of interpretative research is on those life experiences that radically alter and shape the meanings people gave to themselves and their life projects. It rests on the importance of interpretations and understanding as key features of social life. In social life, there is only interpretation. Everyday life revolves around persons interpreting and making judgements about their own and others' behaviours and experiences.

Epiphanies are interactional moments that has left marks on people's lives and also has the potential for creating transformational experiences for the person. In them, personal character is manifested and made apparent. They are often moments of crisis that alter the fundamental meaning structures in a person's life (Denzin, N.K. 1989). By recording these experiences in detail, the researcher is able to illuminate the moments of crises that occur in a person's life. They are often interpreted, both by the person and by others, as turning point experiences (Strauss 1959). Having had this experience, the person is never again quite the same.

Interpretative interactionism asserts that meaningful interpretations of human experience can only come from those persons who has thoroughly immersed themselves in the phenomenon they wish to interpret and understand. There is an inherent indeterminateness in the worlds of experience. Systems that attempted to resolve this indeterminateness by going outside the directly-experienced realms of everyday life are simply inappropriate for interpretative purposes (Merleau-Ponty 1973).

### **3.2.5 Narratives**

The subject of narrative is the corner stone on which the research data is based. The term 'social actor' seem appropriate to the subject of the research – the

entrepreneur. As social actors, people are involved in retelling experiences and stories of their lives. In doing so, they tend to chronicle their lives in terms of a series of events, happenings, influences and decisions. Narrative, as autobiography, describes the way in which people articulate how the past is related to the present (Richardson 1990). Social actors organise their lives and experiences through stories, and in doing so, make sense of them. The chronicling of a life, or part of a life, often starts from a point of how it all happened, or how one comes to be where one is today.

A personal experience story is a narrative that relates the self of the teller to a significant set of personal experiences that has already occurred. Self stories simultaneously deal with the past, the present, and the future. Personal experience stories deal with the past. Self stories deal with ongoing problematic occurrences in the person's life.

Personal histories are reconstructions of a life based on interviews, conversations, and self and personal experience stories. They can be focused around a life, or biography, of a single person or group. Personal histories envelope and embed self and personal experience stories within a larger narrative structure, the story of a life. The full meaning of a personal experience or self story can often only be gleaned by locating the story in the biography of the speaker (Denzin, 1989)..

The story can also be analysed in terms of the accounts and explanations that the social actor uses to make sense of his or her career. The biography is peppered with turning points and conversions. Alongside the turning points is the tension between career and life planning, and circumstances and luck.

In pursuing certain lines of inquiry, one can see how the past is shaped by narrative form. Simultaneously, one can see how key events and other social actors are represented through the narratives of experience and thus start to explore what

Denzin has described in terms of ‘interpretative interactionism’ (Denzin, 1989): the relationship between social processes and personal lives.

When one finally understands the pros and cons of each research method, and makes a decision as to which method to adopt, one is faced with another uncertainty as to whether or not the data and research findings can be validated. This appears to be more easily accomplished when quantitative data is used, but appears to present quite a problem when using qualitative data, especially when triangulation, multiple cases, a number of interview approaches and replication might not be feasible.

Key to the selection of the correct research methodology is the determination of the research questions. In the social sciences and in particular when one is researching attitudes, behaviours, traits and characteristics, where meanings to expressions and underlying thought processes are to be discovered, the choice as to whether qualitative or quantitative methods should be used is simply answered. Qualitative research data provides rich, thick descriptions, which can be dissected, analysed, categorised and coded to give themes. The use of interpretative interactionism establishes the right relationship and empathy and the use of postpositivism analysis can permit the counting of the countable. All these are then used to provide insights into the meanings of the various terms and expressions, used by the subject during an in-depth interview.

### **3.2.6 Primary data collection**

Having decided on the overall research approach, the most appropriate method of primary data collection has to be determined.

#### **3.2.6.1 Observation**

Observation entails the systematic description of events, behaviours, and artefacts in the social setting chosen for study. Through observation, the researcher

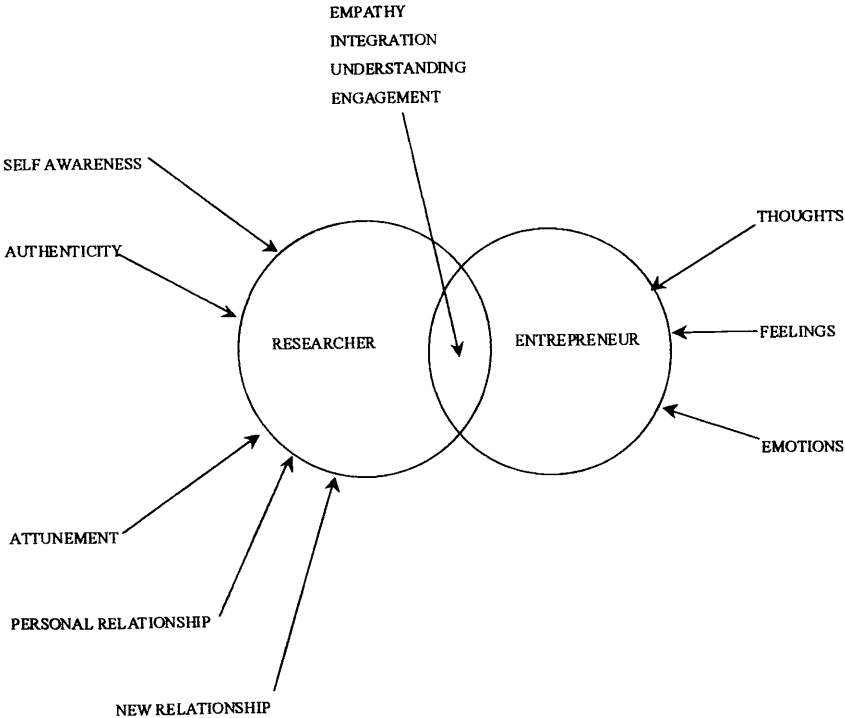
learns about behaviours and the meanings attached to these behaviours. An assumption is made that behaviour is the purpose and expression of deeper values and beliefs. Observation can range from being highly structured, detailed notation of behaviour to more diffuse, ambiguous descriptions of events and behaviours (Marshall and Rossman, 1989, p.79).

As time is of the essence in interviewing the entrepreneurs, the observational studies are confined to the period just before, during and immediately after the interviews and on a number of other occasions.

**3.2.6.2 In-depth interviewing**

This approach requires the researcher’s self-awareness, authenticity, attunement, posturing in the interaction, engagement of relational dynamics, and integration of his or her person in the process of interviewing

**Figure 3.1 In-depth interview**



Through the components shown in Figure 3.1 the researcher tailors the approach accordingly in order to achieve the goals of the interview. This approach explains how

self-awareness engenders greater self-confidence for the researcher. It shows how authenticity promotes a genuine exchange of thoughts and feelings and details how attunement enables the researcher to enter the world of the entrepreneur. It explains how posturing affects roles and exchanges in an interaction and reveals how engagement of the relational dynamic encourages an open and genuine discussion. This method explains how the researcher's characteristics, beliefs, and values has a significant and unique impact on the entrepreneur (Chirban, 1996).

In-depth interviewing is a data collection technique relied on quite extensively by qualitative researchers. It is often described as 'a conversation with a purpose' (Kahn and Cannell, 1957 p.149). This technique can vary depending on the degree to which the interview is structured beforehand, and on the amount of latitude the respondent is granted in responding to the questions.

Typically, qualitative in-depth interviews are much more like conversations than formal structured interviews. The researcher explores a few general topics to help uncover the participant's meaning, but otherwise respects how the participant frames and structures the responses. This, is an assumption fundamental to qualitative research – the participant's perspective on the social phenomenon of interest should unfold as the participant views it, not as the researcher views it.

An interview is a method of data collection that may be described as an interaction involving the researcher and the respondent, the purpose of which is to obtain valid and reliable information. Interviews may range from casual conversations or brief questioning, to more formal, lengthy interactions. The most important aspect of the researcher's approach concerns conveying the idea that the respondent's information is acceptable and valuable. An interview is a useful way to get large amounts of data quickly. It allows for immediate follow-up questions and if necessary



for clarification, follow-up interviews may be scheduled at a later date. Combined with observation, interviews allow the researcher to check description against fact (Marshall and Rossman, 1989, p. 82).

However, the interview technique has limitations and weaknesses. As interviews must involve personal interaction, cooperation is essential. Respondents might not be willing to share all the information that is needed with the researcher. The researcher might not ask appropriate questions because of a lack of expertise or familiarity with technical jargon. Conversely, the answers to the questions might not be properly comprehended by the researcher – or worse, researchers might not always be truthful. Researchers must have good listening skills, and must be skilful at personal interaction and question framing. In addition, they must cope with concerns about data quality. When interviews are used alone, distortions in data are more likely, as researchers might interject personal biases. Finally volumes of data might be obtained through interviewing, but such data might be difficult to manipulate (Douglas, 1975; Gorden, 1981; Sudman and Bradburn, 1982).

### **3.2.6.3 Vignette**

A vignette is a focused description of a series of events taken to be representative, typical, or emblematic in the particular research study. It has a narrative structure that preserves chronological flow and is normally limited to a brief time span. As Erickson (1986:149-150) suggested, it is a ‘vivid portrayal of the conduct of an event of everyday life, in which sights and sounds of what is being said and done are described in the natural sequence of their occurrence in real time.’ Seidman (1991) describes a more extended version called a ‘profile’, which is a narrative summary using an informant’s own words to describe experience over an extended period of time.

Merryfield (1990) has experimented with a 'constructed' form of vignette called the 'narrative scene'. It is a composite narrative, written not in the interim, but near the end of a study, after findings has been largely been worked out. Writing a vignette after reading through field notes can be a powerful means for surfacing and clarifying one's own perspective on what is happening (Erickson, 1986).

Short vignettes are given in the appendices in order to provide some background on each of the entrepreneurs interviewed.

#### **3.2.6.4 Cognitive maps**

As research studies are often focused at the individual level, one needs a broader display to shows the complexity of the person. People's minds – and one's theories about them – are not always organised hierarchically, as in folk taxonomies. They can be represented in a non-hierarchical network form: a collection of nodes attached by links. In studies of thinking, the nodes can be represented as concepts.

A cognitive map displays the person's representation of concepts about a particular domain, showing the relationship among them. Descriptive text is often associated with it. Transcripts of interviews are culled for key concepts and phrased in the person's own words. The purpose is to identify core or underlying themes.

In this research one depends on human communication for the necessary raw data, because there is no direct, objective, independent access to the neuro-physiological representations of the entrepreneur's knowledge or thinking. The raw data has also to be in a form of ready usable data and preferably acquired at source by carrying out in-depth interviews.

The entrepreneur's cognitive substance which has been mapped, measured, described, represented etc. should be conceived as consisting of several phenomena. It does not help the understanding when there does not appear to be any definitive

consensus about the real nature of the human cognitive content or processes, or more accurately about how to model these phenomena. In particular, the same information, ‘same ‘ referring to having an identical overt extension in communication, may exist in the human brain in more than one format (Cantor et al. 1982: p.48). There are also evolutionary stages in the creation of concepts, with essentially different referents. They range from visual image traces of external events, used as cognitive raw material, through sets of their categories, structured internal representations, and ultimately to subsuming formulations such as general scripts, models, theories and concepts (Bandura,1986).

One might ask what is it that one really observes or studies during an interview? At least one can say that one observes overt linguistic production; however, to go further than this implies a theoretical reconstruction. This is unavoidable, since what is assumed to be functioning and represented inside the entrepreneur must somehow be modelled externally, before it becomes an object of the research study. The entrepreneurs may well use almost anything they possess in the way of relevant cognitive substance or tools, without the researcher having necessarily any way of knowing it (Hogarth, 1985).

In order to describe the entrepreneur’s thinking processes an attractive alternative is to leave the transcript intact and let it speak for itself. One could then be in a position to argue that the statement is illustrative of the entrepreneur’s thinking patterns. Depending on the purpose, it can then be offered as evidence of some specific model or argumentation. It has the advantage of originality, naturalness, and even plausibility. The more customary solution might be to produce a new text, in which the researcher interprets the ideas distilled from the transcript, from a specific theoretical viewpoint. Obviously several interpretations can be envisioned, depending

on the paradigm (Lankkanen, 1994). In this research the transcript is left intact and as a consequence speaks for itself.

The transcripts are also used to construct causal, mind, or cognitive maps to represent the causal dimensions inherent in the natural expression of the entrepreneur's particular subject, together with the unseen causal beliefs and thought patterns that are assumed to underlie these.

In the purely text-based approach the contents, concepts and some distilled themes in the transcripts are analysed. From these, various themes or expression pattern frequencies produce a coherent picture that gradually emerges. From the information obtained one can be excused from feeling that the entrepreneur's thinking is now understood and that one might also be able to make reasonably accurate predictions about the behaviour of other similar entrepreneurs.

If a database approach is used, using single standard-language causal assertions as the basic units, then simple sorting, listing and counting operations might provide sufficient evidence. For example, the frequencies of all located causal beliefs can be calculated for the entrepreneurs interviewed, using the postpositivism approach of counting the countable (Tesch, 1989).

In research of this nature the validity of the mapping process arising from a natural subjective expression into a standard common space is critical. This relies on getting the meanings right at various levels of analysis, and accessing the right level of generality. These conversion processes can be assisted by having a familiarity with the entrepreneurial jargon, careful studies of local usage of the relevant terms, referring the interpretations back to the entrepreneurs for their comments, and by the use of a multi subject approach.

It is therefore possible to obtain useful devices for measuring the similarities and differences between some of the entrepreneur's cognitions and comparing these with other entrepreneurs, groups, and time frames. Thus, it is possible to measure and compare entrepreneur's causal thought patterns or cognitions in quite a normal sense.

In addition to Figure 2.6, which is a cognitive map of the entrepreneur's thought processes, various other figures depicting frameworks contained in this research study are all based on cognitive /causal/mind mapping techniques,

#### **3.2.6.5 Causal network**

Field research is a process of progressive focusing and funnelling. As data is collected, one can see more clearly factors that brought the apparent flotsam and jetsam of various events into a meaningful pattern. These events started to form a mental map that one can gradually elaborate in the course of piecing together discrete bits of data. So much of field research has to do with schema absorption and re-elaboration: one goes around recording the entrepreneur's mental cause maps, then brings them together to make connections with one's own evolving map of the setting and circumstances.

A causal network is a display of the most important independent and dependent variables in a field study and of the relationships among them. It must have an associated analytic text that describes the meaning of the connections among the various factors.

#### **3.2.6.6 Kinesics**

Learning about society can be enhanced if one studies not only what people said with their lips, but also what their body movements reveal as well. The study of body motion and its accompanied messages is a technique known as kinesics.

Specifically, kinesics is the study of the structure of body motion communication. The motion is analysed systematically in a way that allows the researcher to see and measure significant patterns in the communication process.

Birdwhistle (1970) asserts that non-verbal body behaviours function like significant sounds that combine into single or relatively complex units, like words. Body movements ranging from a single nod to a series of hand and leg gestures can attach additional meaning to spoken words.

All kinesics research rests upon the assumption that, without being aware of it, humans are engaged constantly in adjustments to the presence and activities of other persons. People modify and react verbally and non-verbally; culture, gender and age influences their non-verbal behaviour and other factors associated with psychological and social development.

Birdwhistle (1970) labels four channels in the communication process: vocal, visual, olfactory, and tactile. It is important for the researcher to be aware of these channels, as the interaction between researcher and subject consisted of a steady flow of non-verbal communication clues. Behind the words are messages that both parties are communicating. Armed with a knowledge of non-verbal clues, the researcher can monitor subjects' behaviours, discovering their attitudes and giving their actions additional meaning. Body language can express unconscious thoughts that might be essential for observers to decode if they are to analyse situations accurately.

The strengths of kinesic analysis are that it provides a view into unconscious thought and it provides a means for triangulation of verbal data. A researcher can be more confident about the accuracy of information provided by a subject if the respondent's body language is congruent with his words (Birdwhistle, 1970; Bull, 1983; Rutter, 1984)

Along with in-depth interviewing this method is used to support the sincerity and validity of some of the data. The key to using this approach is my experience in using these methods as practised in my Chinese medicine clinic. This experience is outlined later in the chapter.

#### **3.2.6.7 Elite interviewing**

An elite interview is a specialised treatment of interviewing that focuses on a particular type of respondent. Elites are considered to be influential, the prominent and the well-informed people in an organisation or community. They are selected for interview on the basis of their expertise in the area relevant to the research.

Elite interviewing has many advantages. Valuable information can be gained from these respondents because of the position they hold in social, political, financial or administrative realms. Elites can usually provide an overall view of an organisation or its relationship to other organisations. They are also able to report on their organisations' policies, past histories, and future plans (Hertz and Imber, 1995).

Elite interviewing also presents many disadvantages. The problem of accessibility to elites is often great because they are usually busy people operating under demanding time constraints and they are often difficult to reach. The researcher may have to rely on sponsorship, recommendations and introductions for assistance in making appointments (Hertz and Imber, 1995).

Another disadvantage in the process of interviewing elites is that the researcher must modify the conventional role of confining himself to asking questions and recording answers. Elites, in general, resent the restrictions placed upon them by narrow stereotypical questions. They desire more interplay with the researcher. In the course of the elite interview, considerable variation occurs in the degree of control, with the respondent occasionally assuming the questioner's role. Elites respond well

to inquiry related to broad areas of content, and to a high proportion of intelligent, provocative, open-ended questions that allows them the freedom to use their knowledge and imagination.

In working with elites, great demands are placed on the ability of the researcher, who must establish competence by displaying a thorough knowledge of the topic or, lacking such knowledge, by projecting an accurate conceptualisation of the problem through shrewd questioning. However, the interviewer's hard work usually pays off in the quality of information obtained. Elite entrepreneurs often contribute insight and meaning to the interview process because they are intelligent and quick-thinking people, at home in the realm of ideas and opportunities arising from their own wide practical experience (Gorden 1981; Glick 1970).

My relevant and similar entrepreneurial experience, together with common membership of the Entrepreneurial Exchange, paved the way to establish the right relationship with the entrepreneurs. This not only helped to gain entry but also ensured that the outcome of the interview was both constructive and meaningful.

#### **3.2.6.8 Life history**

The life history approach is used across the social science disciplines. Life history studies emphasises the experiences and requirements of the individual – how the person copes with society, rather than how the society copes with the stream of individuals (Mandelbaum, 1973).

Their value goes beyond the usefulness of providing specific information about events and customs of the past by showing how the individual interacts with the culture. One of the strengths of life history methodology is that since it pictured the total course of a person's life, the researcher enters vicariously into the same experiences. Secondly, the technique provides a fertile source of themes and



hypotheses that can be tested by further study. Thirdly, it indicates behaviour processes and personality types that can be analysed when a sufficient number of detailed life histories are accumulated for comparative study.

Life histories have a strong appeal, because of the subject matter, and the narrative form in which they are written. A life history account adds much flavour to any qualitative study (Sutherland and Conwell, 1993).

The in-depth interviews that took place comprised the entrepreneurs relating the account of their personal histories, from early childhood, through episodes of their life paths, to the establishment and development of their entrepreneurial enterprises.

### **3.3 Data collection**

#### **3.3.1 Introduction**

In formulating the design of the research and the method of data collection, the potential difficulties of identifying and analysing the entrepreneur's thoughts have not been under-estimated. This strengthens the requirement for the researcher to be experienced in the in-depth holistic, qualitative interview techniques, where information is gained not only from what was said, but also from the manner in which it is spoken, the emotions involved, body language used and seemingly unconnected key words and comments.

Although the focus of the research has concentrated on the entrepreneur's 'discovery processes', it was considered essential that the wider spectrum of the entrepreneur's attributes be taken into account as it is recognised that the entrepreneur is made up of a myriad of interconnected stimuli, both internally and externally.

### 3.3.2 Subjects

Amongst people who have shown entrepreneurial tendencies, there appeared to be a band of entrepreneurs who have, by their actions and the results of their efforts, shown special qualities. This in turn has been manifested in the successful results shown by their entrepreneurial enterprises. Given the opportunity and insight into the *modus operandi* of their thought processes, one can get to understand what makes them 'tick' and learn the secrets of their 'creative processes' based on their own, real-life, experiences.

To identify and prepare a shortlist of entrepreneurs, convenience sampling was used and applied on the following six sources:

- The names and details of the founders and current members of the Entrepreneurial Exchange.
- The names and details of those who have attended the 'Business Start-up' workshops run by Local Development organisations.
- 'Local Heroes' publication by the Scottish Enterprise Board.
- Articles in the Business Section of the Sunday Times by Chris Baur.
- The Scottish Television Business Game shows.
- Network contacts that arose from the above sources.

To obtain a greater insight as to the identification and selection of the 'entrepreneurs' the researcher took an active part in a number of the above events as well as joining the Entrepreneurial Exchange as a fully paid up member.

### 3.3.3 Geographical area (target population)

Because of restrictions of time and finance resource, and with the confidence that sufficient entrepreneurs could be identified, it was decided to restrict the geographical area of the research to the whole of Scotland.

### 3.3.4 Potential problems

The research proposal presented a number of potential problems and decisions that had to be addressed prior to embarking on the field research:

- To decide the structure of the research design and the correct methodology to be adopted in order that the information and subsequent analysis could be termed significant.
- The need for confirmation that the design of the study was viable and that the results could be validated.
- An appreciation that the entrepreneurs were by their very nature, very busy people, where time was always of the essence. This meant that the approach to them for an interview had to be very carefully couched in order not to get an immediate rejection. It was recognised that one could only get 'a single bite at the cherry'.
- To decide where to find these entrepreneurs, how many would be required for the sample size to be termed meaningful, and how large a demographic and geographic area should be covered in the research. Personal contacts and other secondary sources of information helped in the identification of entrepreneurs. Joining what was really an 'entrepreneurs' club', the Entrepreneurial Exchange assisted in getting 'one's feet under the table'. Resources available and time restraints, especially with the research interviews taking place in stages over a period of time, helped to decide the geographical area.
- Whether cultural aspects were to be taken into consideration or were even considered necessary, in the validation of the research findings. Cultural factors, while important, were not considered to be key to identifying the entrepreneur's creative thought processes and as such were not taken into consideration.

- Whether the research should be confined to successful entrepreneurs and whether there should be a predetermined ratio between male and female. Whilst most people like to emulate successful people, much can be learned from ventures that fail and the ability of a person to be resilient to setbacks. The majority of successful entrepreneurs have also experienced failure at some time in their lives so both aspects would be covered in their personal histories. Both male and female entrepreneurs were selected.
- With the adoption of a qualitative research approach to the study and the particular research objectives, the best practices from in-depth interviewing, observation, life history and kinesics techniques had to be employed and integrated into the data collection process. Much reliance was placed on my long term experience of practising Chinese medicine in my own clinic, in order to accomplish this successfully. An analysis of the research methodology used in Chinese medicine in order to determine the root cause of a patient's problems gave valuable clues as to the similar requirements for researching cognitive processes.

In practising Chinese medicine the initial interview with a patient can last for one to two hours. Even before the interview commences, valuable information can be obtained by observing the patient's approach to the clinic (when he or she was 'off guard') and give clues as to how he or she is really feeling. Then the handshake, whether firm or weak, soft or hard, damp or dry, warm or cold, clinging or brief – all make a contribution to the final analysis. Whether they sat far apart or close by, which chair they chose, whether they faced the light, sat relaxed or tense or sat back in the seat or on the edge all made further contributions to analysis. Hand movements, facial expressions, eye movements and contact, facial colour changes, tone of voice and

body movements are all observed continuously throughout the long interview and related to the conversation being expressed at the time.

The practitioner asks the patient open-ended questions, with subjects covering family, early childhood, previous health problems, likes and dislikes, body functions, eating habits, hobbies and external activities, desires and frustrations, current family and health, traumatic happenings in his or her life, ambitions and desires and many, many more probing questions before addressing what they came to the clinic for.

The practitioner hardly ever takes notes. Eye contact is faithfully maintained with absolutely no distractions or deviations. The practitioner is constantly on the look out for key words and phrases, which are sometimes fed inappropriately into the conversation, and is observing and mentally noting the many non-verbal clues. The practitioner controls the interview and steers the patient from one aspect of their personal history to another with careful timing and subtlety, in order to maintain 'contact' and allow the free flow of the conversation.

The question of the validity of the information is never questioned. Why should the patient be untruthful when they need help? Much more important is the question as to whether they have held something back from the searching conversation that may be important and relevant and was perhaps considered not important to the patient but certainly might be to the researcher.

The psychological aspect of such an interview is important. It may be the first time in the life of the patient that someone has taken the time and trouble to listen to him or her, especially with the single-minded intensity that is required for a successful interview. This is the reason that counselling is such an important aspect in the practice of social sciences. In many cases the 'cure' starts when the patient has

decided to go to see the practitioner, and certainly is progressed as a result of the interview, even before the treatment plan is outlined.

This precious time spent between the patient and the practitioner permits understanding, sharing, and the transmission of the 'correct' reaction and response to the patient, which in turn develops a tremendous empathy, trust and rapport between the researcher and patient. This, in turn, can be built upon to provide the guidance, strength and support necessary to enable if not a complete cure of the patient's problem, a mental, spiritual and physical stimulant for the patient to cure him or herself. The practitioner merely provides the tools for the patient to effect the cure.

What can be learned from this example? An important point is the need to establish the right relationship, empathy, trust, attentiveness to, and genuine interest in the subject being researched – fakers were quickly identified. One can learn a great deal from the identification of key words and phrases that are sometimes used out of context with what is actually being said. Also the recognition, significance, and the meaning of non-verbal cues and the use of body language, the tone and inflections in the voice when certain experiences and thoughts are being related help to give validation to the meaning of the spoken word.

It was appreciated that the in-depth nature of the interview with a patient is somewhat different to that which was required in researching the entrepreneur's cognitive processes. However, there are many lessons that can be learned from similar experiences. By the identifying these, and the employing of the right approach, the reward obtained is a very rich source of relevant data.

Key points to be observed are:

- The need to win the confidence of and achieve empathy with the entrepreneurs so that their 'inner sanctum' could be penetrated, thus enabling an analysis of their

thought processes. Being one of the 'same kind' and of mature age helped me to gain acceptance and also allowed the entrepreneurs to feel comfortable with the intrusion into their space.

- To determine the most suitable method to capture the necessary data, for example, by memory, written note taking, tape recordings and /or use of a video camera. The method chosen had also to be acceptable to the entrepreneur. An experienced interviewer can accomplish this by relying on his or her memory of what transpired during an interview. However bearing in mind the need for subsequent data validation, this was ruled out. Note taking, no matter how unobtrusively it is carried out, is very off putting and often causes a distraction to the subject. Accordingly this was also ruled out. Use of a video camera would have been beneficial on two counts: the sound can be recorded, and it would also have assist in the kinesics analysis technique. However, this was also ruled out on the grounds it would certainly make the entrepreneurs feel more nervous and they might dislike the thought of being 'on show' to third parties. The need to change cassettes every 24 minutes in an interview lasting 90 minutes would also have been too disruptive. The chosen medium was tape recordings, with a good quality microphone and 90 minute cassettes.
- The need to give assurance and convince the entrepreneur as to the confidentiality of the information obtained and the use it was going to be put to. This came down to the question as to whether the entrepreneur trusted the researcher. Did the researcher appear to be an 'honest broker'? An open friendly manner with excellent eye contact, a warm firm handshake and an engaging manner helped to establish the right climate for trust.

- The determination as to the length of the interview when asked ‘how long will this take’? From the introductory letter the entrepreneur knew it would last at least an hour. However, careful sounding out prior to the start of the interview determined if this was to be critical and whether there were any time pressures involved. Allowing for telephone calls and interruptions during the interview, whilst unsettling, was normally the trade-off for a longer time period for the interview.
- An appreciation that there would be a need for reciprocity. It is just common sense to realise that the entrepreneur would probably like to know the researcher’s own experience and background, and for them to determine for themselves whether there were any commonalities and mutual interests. It helps to ‘cement’ relationships. The vital tactic is to ensure that this happened at the end of the interview, when the researcher has obtained all the data required.
- It was also more than likely that my opinion would be sought on some business matter. This could be termed part of the ‘networking’ process, one of the foundational aspects of the ‘entrepreneurial club’. One was always happy to make a positive contribution to a fellow sufferer.
- The ability to handle and analyse such a weight of relevant and irrelevant data. Allowing plenty of time, and using the latest computer software packages made the analysis of the mountain of qualitative data slightly more manageable.
- With regard to the methods by which the data and findings could be validated. One had to rely on the literature to have guidance on what was acceptable such as adopting a number of interviewing techniques (multi-method). One could also take advantage of the fact that quite a number of the entrepreneurs were so well known that they had well-documented track records (independent verification). Secondary information consisting of annual company reports, case studies,



lectures and newspaper articles all helped to validate the data collected from the interviews. The fact that the research was based on fifty entrepreneurs (multi-case), some comprising two in-depth interviews carried out over a period of one year (the benefits of research over time), played a major part of the validation procedure as well as allowing the triangulation method to be utilised.

It is appreciated that these potential problem areas are not unique to this particular research study, nevertheless their solutions were key to the correct approach being adopted and a successful outcome.

### **3.3.5 Pilot interviews**

Five pilot interviews were held during an annual conference of the Entrepreneurial Exchange in order to test the approach and methodology that were proposed. From these interviews, it was apparent that a structured approach was not appropriate, as it would have been considered too clinical and have prevented the unearthing of inner thoughts and opinions. A semi-structured approach could only be used in a limited way at the end of the entrepreneurs' accounts of their personal histories in order to avoid breaking their 'train of thought'.

- The minimum of interruptions by the researcher had to be observed during the account of the entrepreneurs' personal histories so as to prevent disruptions of the flow of information.
- Absolute assurance by the researcher of the confidentiality of the information received had to be given.
- It was expected that there would have to be a certain reciprocity of information disclosure i.e. the researcher's own life path experiences would have to be given in exchange for the individual's.

- There appeared to be a need for the entrepreneur to compare his or her own experiences with the researcher's, in order that commonalities could be shared.
- The researcher's opinion was probably going to be sought on certain aspects of the entrepreneur's current business situations, for example, advice on a proposed acquisition, or knowledge of any person(s) experienced in skills that they required.
- Tape recording of the interview appeared to be acceptable which would allow the researcher to focus and concentrate entirely on what the subject was saying and maintain eye contact. The need to avoid any possible distraction to the entrepreneur if and when the researcher averted his or her gaze. Apart from the volume of extraneous data produced, there appeared to be very few disadvantages in the use of this method of data collection.
- The minimum of note taking to be employed to minimise any disruption to the information flow.
- There would be a need to ask certain specific questions at the end of the 'life path' account if issues concerning them had not already adequately covered.

### **3.3.6 Sampling size**

A sampling size of fifty entrepreneurs comprising both sexes was chosen, with the knowledge that this figure could be expanded if the results did not provide the information required. In some respects the method employed could be termed 'convenience sampling,' because a balance had to be made as to what would constitute a meaningful sample size and the logistics of handling a vast amount of congruent data. In the event, the amount of new information obtained tailored off quite markedly after about twenty-five interviews – it was then a case of variations of the generic themes which had already been identified.

Following the pilot interviews and with the appreciation of a 'fall-out' percentage, a letter was sent to 70 entrepreneurs (see appendix.one). The letter explained the researcher's background and the research objectives, and requested a meeting, during which the information received was expected to make an important contribution to the research on 'what made entrepreneurs tick'. The letter allowed the entrepreneur an 'escape route' if they did not want to participate. While telephone numbers were available, and in many cases more convenient for the researcher, it was considered that it was more beneficial to the success of the interview if the entrepreneur was allowed time to contemplate of what was involved, before committing him or herself.

### **3.3.7 Responses**

Of the 70 approaches, a positive response was received from 50 (71%), 5 (7%) wrote and declined, mainly because of time pressures, and no reply was received from 15 (22%). The high favourable response rate could be attributed to two factors: the fact that they were entrepreneurs, and that they had also cultivated the need for networking.

Entrepreneurs got a 'buzz' and 'inspiration' from being with, talking to, and reading about individuals who were on their same wavelength and a high percentage of respondents specifically mentioned this as being of significant benefit to them.

### **3.3.8 Cross-sectional response**

All of the fifty entrepreneurs who responded favourably were interviewed. It was then possible to break down the respondents into various categories of entrepreneurs. There were those who had converted an idea into an opportunity and created their own enterprise, which continued to grow and expand substantially: 37 (74%). Others could be termed intrapreneurs still working for someone else: 2 (4%).

Some were involved in management buy outs (MBO) and others in management buy-ins (MBI): 3 (6%). A number had left a company they were employed in to start a similar business of their own: 4 (8%). Some individuals were professional business people who had left the companies in which they were employed to start their own similar business: 4 (8%)

**Table 3.1 Schedule and coding of the entrepreneurs interviewed**

Code	Sex	Area of Business
E1	F	Food
E2	F	Food
E3	M	Computers
E4	M	Engineering
E5	M	Printing
E6	M	Financial Services
E7	M	Financial Services
E8	M	Agriculture
E9	M	Cleaning
E10	F	Retail
E11	M	Retail
E12	M	Property
E13	M	Manufacturing
E14	M	Manufacturing
E15	M	Oil and Gas Exploration
E16	M	Engineering
E17	M	Retail Services
E18	M	Leisure Industry
E19	M	Communications
E20	M	Property Development
E21	M	Outsourcing
E22	F	Tourism
E23	M	Electronics
E24	M	Do-it-Yourself Supplies
E25	F	Health Care
E26	M	Accountants
E27	M	Garden Centres
E28	F	Leisure Industry
E29	M	Repair Services
E30	F	Catering
E31	F	Environment Protection
E32	M	Creative products
E33	M	Consultants
E34	F	Antiques and Fine Art
E35	F	Communications
E36	M	Medical Equipment
E37	M	Furnishings
E38	M	Solicitors
E39	M	Retail Supplies
E40	M	Transport
E41	M	Electronics
E42	M	Optical Equipment
E43	F	Counselling Services
E44	M	Office equipment
E45	M	Food
E46	M	Food
E47	M	Computer Services
E48	M	Glassware Manufacturer
E49	M	Milk Products
E50	M	Insect Repellents

### **3.3.9 Primary data collection**

Interview briefing – The entrepreneurs were asked to give an account of their life paths (their personal histories) from their early childhood to the present day, highlighting any milestones or benchmarks that had occurred and helped make them the people they were at the time of the interviews. They were asked to cover their family relationships, early education, subsequent education, first attempts to raise money, employment, how they had the idea to start a business, how they turned the idea into an opportunity, grew the business and what their current plans and goals were.

Timing – In the original letter to the entrepreneurs, an hour of their time for the interview was mentioned. In practice, although the tape recording lasted for one-and-a-half-hours, the interviews usually continued for a longer period. Any relevant subsequent information that was not recorded was memorised by the researcher and recorded within 24 hours of the interview. Some interviews lasted over three hours.

At various times, the researcher switched off the tape recorder, particularly during interruptions and when he was asked questions about his own experience. At none of the interviews was the researcher made to feel that he had overstayed his welcome. It was always the researcher who had to conclude the interview. Without exception a warm welcome was always extended to the researcher, and it was specifically mentioned by the entrepreneurs at the end of their interviews, that if the researcher required any additional information or another meeting at some future time it would be welcomed.

A thank-you letter, together with some helpful, pertinent observations was always sent to the entrepreneur within 24 hours of the interview. In a number of cases

the entrepreneur visited the researcher to follow-up a number of business points which had arisen during and at the end of the interview.

To get on the same wavelength and as a result gain entrance into the entrepreneur's inner sanctum of his or her thoughts, it was of paramount importance that the right research approach was selected, and that the researcher was experienced in the special relationship aspect of the in-depth interviewing process. This research study had been considerably helped by my experience of being a successful entrepreneur, having also had 10 years' experience practising Chinese medicine in my own clinic where I had obtained considerable experience of the special in-depth interviewing techniques required. In this research approach there was a particular need for the right relationship, empathy and trust to be established in order that the right climate was created to obtain meaningful data.

### **3.3.10 Secondary data collection**

The main source of secondary data comprised copies of the relevant financial reports of the various entrepreneurial companies over a time period, newspaper articles concerning the elite entrepreneurs and their activities, and other independent written reports and case studies which had been carried out. Recordings of lectures that the entrepreneurs had given on their experiences were also obtained.

The majority of the entrepreneurs interviewed were very well known to the general public with the result that there has been a great deal written about them in the national press and other publications. This provided an important source of information about their entrepreneurial enterprises as well as aspects of their personal life and past history.

Most were also members of the Entrepreneurial Exchange and, as a fellow member, I was allowed unique access to their company and to have the benefit of

listening to the talks they gave as well as having a number of informal discussions with them.

The entrepreneurs' company results, chairmans' statements, and stockbroker assessments and forecasts were obtained from the financial market place. Some of their companies were being re-privatised and others were fighting off unwelcome take-over bids, the result of which unleashed a host of helpful background and peripheral information.

A number of publications gave supporting information on many of the entrepreneurs such as *Local Heroes* by Scottish Enterprise (1996) *Great Scots in Business* by Houston (1996) and *Great Scots in Family Business* by Smith (1995)

So as far as the general details were concerned they were substantiated by the secondary sources of information. Missing from these accounts were the entrepreneurs' key inner thoughts, which after reflection they were able to share with me. I was seeking a much more in-depth account as to what had gone through their minds at various key moments. To obtain this, one had to get on the same wavelength, establish an empathy with them, and share the same mind set, in order that they felt comfortable in 'lowering their guard' and sharing with me what really happened. This sort of knowledge just could not be obtained from a questionnaire type of research approach.

Secondary information helped the validation, replication also endorsed the findings, and the number of meetings held afterwards with a number of the entrepreneurs helped, by observation, to confirm the *modus operandi* of some of the entrepreneurs' creative processes.

As to whether the entrepreneurs were telling the truth, one can never be sure, but having had 10 years' experience of interviewing patients and reading their body



language was a considerable benefit. Unfortunately one cannot include this justification in a research thesis.

### **3.4 Method**

Pending the transcription of the tapes, within 24 hours of every interview I made notes of the key points that arose from each interview from my memory. These notes were then typed up and filed along with the original transcript. The tape recordings of the data collection were all transcribed without any editing. In many cases some of these recordings amounted to over 10,000 words. They were then printed out and copies filed.

Using the techniques of content analysis the transcripts were highlighted where relevant statements and phrases indicated a theme, pattern or concept, that bore a relationship to the main clusters of variables relating to the entrepreneurs' inner thought processes and the beliefs considered important to them.

Individual case synopses were produced, substantially reducing the original transcript, enumerating possible sequences, picking out the modal ones, finding the generic sequences and extracting and clustering the segments in which themes appeared. Using variables, extracts were identified using Nud\*ist software.

Vignettes were produced in order to give the research a description of each entrepreneur interviewed, incorporating some form and colour, without invalidating the confidentiality undertaking given to each.

### **3.5 Validation**

From the literature, the question of validating qualitative research material appears to be the Achilles heel of this approach. With the adoption of a number of interviewing techniques, taking the strength from each, it is possible to provide a triangulation of the verbal data – especially with the life history and kinesics.

Birdwhistle (1970) is an advocate of this approach and labels four communication channels: vocal, visual, olfactory and tactile, which exist in the interaction between the researcher and the subject in a steady flow of non-viable communication clues.

Aspects of the subject's life history can be verified, the growth of his or her entrepreneurial businesses can be checked through financial results and in newspaper and other articles. Future plans and goals can be checked upon by aspects that arose from subsequent meetings. Contacts can be maintained with many of the subjects in order to stay aware of their progress towards their future goals. Having said this, one has to be careful not lose sight of the objective of the research, which is to understand the entrepreneurs' discovery processes. One might well ask what does the latest balance sheet or financial report have to do with that? The researcher is gauging and understanding inner private thoughts. This can only be done by empathy, understanding of feelings, being on the same wavelength, gauging silences, timing, gaining the confidence, observing and monitoring the kinesic signals.

Everything in life cannot be validated or explained in equations and statistics, and one should not underestimate the 'sixth sense', the non-verbal clues, the recognition of the 'honest broker'.

### **3.6. Summary**

This chapter has explained the fieldwork of the research, which took place over a one-year period, beginning with the identification and selection of the entrepreneurs. The pilot interviews helped to structure the subsequent interviews and provide a framework that could be used and repeated over the interviews that were subsequently conducted.

The data collection and its analysis, with over 1 million words recorded, transcribed, computerised and printed, proved a daunting task. The analysis of the rich

information incorporating the basis of a grounded research theory approach followed by content analysis helped to identify generic themes amongst the entrepreneurs.

Follow-up meetings took place with thirty entrepreneurs after a period of one year in order that ideas, opportunities and changes that were being contemplated by the entrepreneurs at the time of the first interviews could be followed up and commented upon. It also allowed an important opportunity to examine the discovery process in 'action' and allowed the sharing of the initial findings from the first interview. This also assisted in their overall validation.

Despite their busy work schedules, having made a commitment to having the interview, all the entrepreneurs fully co-operated in relating their personal histories. It was also very clear that the researcher had to have a number of bargaining cards in order to gain full cooperation as it was apparent that the entrepreneurs at times were more interested in the researcher rather than the research (Chapman 1983).

Without exception, I had to terminate each interview, being mindful of the time pressures the entrepreneurs were under. Such was the rapport that was established at the interview, contact has been maintained with many of them.

The next chapter, entitled 'Research Findings', brings the thesis to life, by recounting and interpreting the words and expressions used to describe important epiphanies in the entrepreneur's lives.

Using the data from the Nud\*ist software program, hierarchical tables are produced reflecting how important the entrepreneurs rated the variables of the various clusters. The data analysis uses verbatim extracts from the entrepreneurs' personal histories to address the research objectives as well as providing answers to the research questions arising from the literature review in Chapter 2. It also takes the opportunity to compare some of the more conceptual research literature theories with

the empirically-based findings. Generic themes established from the findings are summarised in a number of tables.

**Chapter 4**

**Research findings**

## **Chapter 4**

### **4. Research findings**

#### **4.1 Introduction**

The thesis came to 'life' by recounting the actual words and expressions that formed important epiphanies in the entrepreneurs' lives, as well as supporting the generic themes.

The data analysis used the verbatim extracts from the entrepreneur's personal histories to address the research objectives, as well as providing answers to the research questions which arose from the literature review concerning having a prepared mind, happenstance, intuition, self-belief, values, visualisation and goal-setting. Generic themes established from the findings were summarised in Tables 4.10, 4.11 and 4.12.

A number of the entrepreneurs were subjected to further interviews after a period of one year. The time scale was chosen so that ideas, opportunities and changes that were being contemplated by the entrepreneurs at the time of the first interviews could be followed up and commented upon at the subsequent interviews. While the discovery processes described by the entrepreneurs at the first interview could more or less be termed historical, the subsequent interviews over time allowed an important opportunity to examine the discovery process in action and also assisted in the verification process.

The difficulty with this type of research was to provide sufficient information so as to be meaningful while at the same time observing the undertaking given to the entrepreneurs to keep the information, that they gave so freely to the researcher, confidential. The unabridged tape recordings and the verbatim transcripts substantiated the identity, background, personal history of the entrepreneur, and his or

her company and could be made available to those in authority for validation purposes, but cannot be used in their entirety in the thesis itself.

## **4.2 Data analysis**

With qualitative data one could preserve chronological flow, observe precisely which events led to which consequences, and derive fruitful explanations. Good qualitative data was more likely to lead to serendipitous findings and to new integrations: they help researchers to get beyond initial conceptions and to generate or revise conceptual frameworks. The findings from qualitative studies have a quality of reality about them. Words, especially when organised into incidents or stories, have a concrete, vivid, meaningful flavour that often proves far more convincing to the recipient than pages of summarised statistics.

From the research literature a number of attributes, elements and factors appeared to be associated with the entrepreneurs' processes of discovery and creation. In addition, entrepreneurs were cited in the literature as having specific beliefs which they considered to be important in their entrepreneurial activities. Arising from the pilot interviews and having regard to the entrepreneurs' initial personal histories, forty-nine variables were selected as being representative in the determination of the various research objectives.

The variables were grouped into eight clusters, seven of which were directly related to the entrepreneur's creative processes. The seven clusters were discovery processes, internal processes, external influences, ideas, idea adoption, idea rejection and incubation of ideas. The eighth cluster related to certain specific beliefs that the entrepreneurs might have held that could have had a bearing on the other seven clusters of variables also provided additional information on the context of the entrepreneurial events.

**Table 4.1 Schedule and coding of the variables**

- 1 Discovery process**
  - 1.1 Having a prepared mind is essential
  - 1.2 Most of their ideas occur serendipitously or by chance
  - 1.3 Having relevant experience is very important
  - 1.4 They use their intuition and insight in decision making
  - 1.5 They are mentally alert to idea creation
  
- 2 Internal processes**
  - 2.1 Actively practice goal-setting and keep records
  - 2.2 Actively practice visualisation and rehearsal techniques
  - 2.3 Actively practice meditation
  - 2.4 Importance of quiet places for thinking and contemplation
  - 2.5 Communicate regularly with their 'inner voice'
  - 2.6 Have total self-belief in what they do
  - 2.7 Have total self-efficacy
  - 2.8 Have above average energy levels
  - 2.9 Have an established set of personal values and beliefs
  
- 3. External influences**
  - 3.1 Recognise the benefit of role models
  - 3.2 Involve friends and family in discussing their business
  - 3.3 Believe they can control or influence their own environment
  - 3.4 Are always mindful of the financial implications
  - 3.5 Are always aware of the political and economic situation
  - 3.6 Appreciate the need for geographical and/or organic growth
  
- 4. Ideas**
  - 4.1 Many ideas are put onto the 'back burner'.
  - 4.2 Many of their decisions are based on 'gut feeling'
  - 4.3 Reluctant to share their embryo ideas with anyone
  - 4.4 Obtain the majority of their ideas away from the office
  - 4.5 Believe that problems present ideas and opportunities
  - 4.6 Keep a record of their ideas and review them regularly
  
- 5. Reasons for idea adoption**
  - 5.1 Fills a gap in the product line
  - 5.2 It conforms to long-term goals
  - 5.3 Provides a competitive edge
  - 5.4 Has a positive 'gut feeling' about it
  - 5.5 Conforms to their core strengths
  - 5.6 Provides a market opportunity and satisfies a market niche
  
- 6. Reasons for idea rejection**
  - 6.1 Insufficient resources available
  - 6.2 The timing is not right
  - 6.3 Not viable because of pressure of work
  - 6.4 Does not provide a competitive edge
  - 6.5 One has to be careful and play things safe



6.6 Does not have the 'right feel' about it

**7. Reasons for idea incubation**

- 7.1 Current timing is not right
- 7.2 More information is required
- 7.3 Resources are not currently available
- 7.4 At present it does not command a high priority

**8. Entrepreneurs' beliefs**

- 8.1 They have learned from their failures and mistakes
- 8.2 They have someone, perhaps a guardian angel, looking after them
- 8.3 They believe that success breeds success
- 8.4 Windows of opportunity seem to open up for them
- 8.5 They tend to concentrate on their core strengths
- 8.6 They believe in the importance of having the best people
- 8.7 They believe in building personal and business contacts and networks
- 8.8 The challenge becomes the main driving force
- 8.9 Business puts unacceptable strains on family relationships
- 8.10 Business becomes the number one priority in their life
- 8.11 They always had a desire to have their own business
- 8.12 Need to be in control of their own destinies
- 8.13 Their businesses have changed them as a people
- 8.14 They had, or may still have, a 'chip on their shoulder'
- 8.15 Had the need to prove something to others as well as themselves
- 8.16 Having part-time jobs to earn money whilst at school showed work ethic
- 8.17 Parents having been in business on their own account encouraged work ethic
- 8.18 Did not enjoy or have a long formal education
- 8.19 Making money was their main motivation
- 8.20 Gain inspiration from attending conferences and reading books
- 8.21 Hedging their bets becomes more and more important
- 8.22 Have fears that one day the bubble will burst and things will go wrong
- 8.23 Consider having exit and escape routes to be important

With the use of the QSR Nud\*ist software programme it was possible to identify and code sections from the transcribed data from the entrepreneurs' personal histories which referred to the variables in Table 4.1. It was then possible to collect and categorise the data in order to calculate the number of times the context of the variable was mentioned by each entrepreneur. The information was then used to give an overall hierarchical rating for the most- mentioned variables in Table 4.2.

A hierarchical rating table was produced which gave an overview of the rating of the top 16 variables out of the total of 65 variables listed in Table 4.1, based on how many times, arising from the transcript of the interviews, the entrepreneurs

specifically mentioned these variables. This table was not meant to be value-specific only to the research questions RQ1–RQ8

**Table 4.2 Hierarchical rating of the most-mentioned variables.**

Code	Description
2.9	Have an established set of personal <b>values</b> and standards
2.6	Have total <b>self-belief</b> in what they do
8.6	They believe in the importance of having the <b>best people</b>
1.4	They use their <b>intuition</b> and insight in decision making
2.2	Actively practice <b>visualisation</b> and rehearsal techniques
1.2	Most of their ideas occur <b>serendipitously</b> or by chance
4.2	Many of their decisions are based on their <b>gut feeling</b>
1.1	Having a <b>prepared mind</b> is essential
2.1	Practice <b>goal-setting</b> and keep records
2.4	Importance of having <b>thinking space</b>
1.5	They are mentally <b>alert</b> to idea creation
8.12	Need to be in <b>control</b> of their own destiny
8.11	Always had a <b>desire</b> to have their own business
1.3	Having relevant <b>experience</b> is very important
8.8	The <b>challenge</b> becomes the main driving force
2.7	Have total <b>self-efficacy</b>

It was interesting to note that most of the variables that were mentioned in the discovery and inner process clusters in Tables 4.3 and 4.4 were included in the top 16.

Using the data from the QSR Nud\*ist software programme, it was possible to rate the variables of each cluster in relation to each other, based on the context and the number of times they were specifically mentioned by the entrepreneurs. These tables gave an indication of the importance that the entrepreneurs attributed to each variable and this was subsequently confirmed at the follow-up meetings.

**Table 4.3 Hierarchical rating of the discovery processes cluster of variables**

Discovery process	
Code	Description
1.4	They use their intuition and insight in decision making
1.2	Most of their ideas occur serendipitously or by chance
1.1	Having a prepared mind is essential
1.5	They are mentally alert to idea creation
1.3	Having relevant experience is very important

The response frequencies between the variables were closely related and without exception were highly supported by the entrepreneurs in their personal histories and appeared to give them a competitive edge.

**Table 4.4 Hierarchical rating of the inner processes cluster of variables**

<b>Inner processes</b>	
Code	Description
2.9	Have an established set of personal values and beliefs
2.6	Have total self-belief in what they do
2.2	Actively practice visualisation and rehearsal techniques
2.1	Actively practice goal-setting and keep records
2.4	Importance of quiet places for thinking and contemplation
2.7	Have total self-efficacy
2.8	Have above average energy levels
2.5	Communicate regularly with their 'inner voice'
2.3	Actively practice meditation

All the variables except meditation were well supported. Values, self-belief and the use of visualisation had nearly a 100% response. The entrepreneurs' inner processes appeared to give them an inner strength and an added confidence in their ability to perform.

**Table 4.5 Hierarchical rating of the ideas cluster of variables**

<b>Ideas</b>	
Code	Description
4.2	Many of their decisions are based on 'gut feeling'
4.6	Keep a record of their ideas and review them regularly
4.4	Obtains the majority of their ideas away from the office
4.5	Believe that problems present ideas and opportunities
4.3	Reluctant to share their embryo ideas with anyone
4.1	Many ideas are put onto the 'back burner'

The reliance on the entrepreneur's gut feeling as the final monitor on their decision taking ability was surprisingly consistent. The environment in which ideas materialised and the methods each entrepreneur adopted to record them stressed the importance to them of having quality thinking time and space

In the following tables, which related to idea adoption, rejection and incubation, the ratings of each variable in their respective tables were given by the researcher following discussion with the entrepreneurs during the follow-up meetings.

**Table 4.6 Hierarchical rating of the reasons for adoption cluster of variables**

Reasons for idea adoption	
Code	Description
5.4	Has a positive 'gut feeling' about it
5.6	Provides a market opportunity and satisfies a market niche
5.9	Provides a competitive edge
5.7	Fills a gap in the product line
5.8	It conforms to long-term goals
5.5	Conforms to their core strengths

Gut feeling, the importance of the market and having a competitive edge appeared to be the predominant in this cluster of variables. Core strength was not often specifically mentioned although the entrepreneur's personal histories provided evidence that most stuck to what they knew best.'

**Table 4.7 Hierarchical rating of the reasons for rejection cluster of variables.**

Reasons for idea rejection	
Code	Description
6.7	Does not have the 'right feel' about it
6.8	Insufficient resources available
6.9	The timing is not right
6.10	Does not provide a competitive edge
6.6	Not viable because of pressure of work
6.5	One has to be careful and play things safe

Having the 'right feeling' about a situation was another example of the importance that entrepreneurs placed on their subjective reactions and feelings. Having sufficient and immediate resources available to exploit their ideas seemed to be a common problem. However, given time, most were confident that resources could be obtained. Playing things safe did not appear high on the entrepreneurs' business agenda.

**Table 4.8 Hierarchical rating of the reasons for idea incubation cluster of variables**

<b>Reasons for idea incubation</b>	
<b>Code</b>	<b>Description</b>
7.2	More information is required
7.1	Current timing is not right
7.3	Resources are not currently available
7.4	At present it does not command a high priority

The main reasons given for incubation were the lack of sufficient information on which to base the decision and also that the timing was not quite right for all sorts of reasons: work-load, staff availability, available resources. In a number of instances the development of an idea did not fit in with the entrepreneur's mental priorities and hence was shelved.

**Table 4.9 Hierarchical rating of the entrepreneur's beliefs cluster of variables**

<b>Entrepreneurs' beliefs</b>	
<b>Code</b>	<b>Description</b>
8.6	They believe in the importance of having the best people
8.12	Need to be in control of their own destinies
8.11	They always had a desire to have their own business
8.8	The challenge becomes the main driving force
8.1	They have learned from their failures and mistakes
8.10	Business becomes the number one priority in their life
8.16	Having part-time jobs to earn money while at school encouraged work ethic
8.5	Tend to concentrate on their core strengths
8.18	Did not enjoy or have a long formal education
8.3	They believe that success breeds success
8.4	Windows of opportunity seem to open up for them
8.7	They believe in building personal and business contacts and networks
8.15	Had the need to prove something to others as well as themselves
8.19	Making money was their main motivation
8.13	Their businesses changed them as people
8.2	They have someone, perhaps a guardian angel, looking after them
8.24	Consider having exit and escape routes to be important
8.14	They had, or may still have, a 'chip on their shoulder'
8.21	Hedging their bets becomes more and more important
8.20	Gain inspiration from attending conferences and reading books
8.22	Have fears that one day the bubble will burst and things will go wrong
8.9	Business puts unacceptable strains on family relationships
8.17	Parents having been in business on their own account encouraged work ethic

Most of these variables were mentioned or were implied by the majority of the entrepreneurs in their personal histories; some more positively than others. It was interesting that variable 8.6, the importance of having the best people, variable 8.12, the need to be in control, variable 8.11, always had a desire to have their own business, and variable 8.8, the challenge becomes the main driving force, also featured in the overall top 16 variables. Other researchers who are cited in the literature review, have also observed these aspects.

#### **4.3 Analysis of the relationship between the hierarchical tables and research questions**

Each variable had been categorised and given a hierarchical rating with respect to its position in the top 16 of the overall list of variables and also rated with respect to each other in their various clusters. It was possible to relate these findings with respect to the various research questions RQ1–RQ8 in order to determine their significance.

The research questions are repeated for convenience:

RQ 1 Does having a ‘prepared mind’ constitute an important factor in the discovery of ideas?

RQ 2 Do ideas ever occur by chance? If so, how many and in what context?

RQ 3 Does intuition and gut feeling play an important part in the entrepreneur’s decision taking?

RQ 4 Does it appear that having self-belief and self-efficacy forms an important basis of having confidence and ability to make decisions?

RQ 5 Do sense of values and principles formed in early life help to establish standards of business behaviour?

RQ 6 Does having special thinking places and quality thinking time help to develop the ability to harness and crystallise ideas into opportunities?

RQ 7 Do many of the entrepreneurs use visualisation and rehearsal techniques in order to achieve their objectives?

RQ 8 Does the use of goal-setting techniques help to achieve business objectives?

Research questions RQ 4 and RQ 5 that concerned self-belief and having an established set of personal values and standards were answered by the entrepreneurs' positive reactions during the account of their personal histories. The high rating in Tables 4.2 and 4.4 for variables 2.6 and 2.9 also supported their importance. Throughout all the interviews these qualities seemed to permeate the discourse. The variables appeared to represent the foundation of the entrepreneur's business confidence and provided the yardstick on which their business operations were based.

Although not a specific research question, a high rating was given to variable 8.6 in Tables 4.2 and 4.9, which concerned the importance of having the best people in the entrepreneur's organisation to supply the skills that they themselves did not possess. This fact seemed to be universally accepted, as was the acceptance by the entrepreneurs that however willing, they could not do everything themselves. This demonstrated the importance of delegation rather than abdication.

Research question RQ 3, that dealt with the importance of intuition and gut feeling was strongly supported by the high ranking of variable 1.4 both in Table 4.2 and Table 4.3. This inner feeling seemed to be constituted as the final arbiter to the entrepreneur as to whether a decision to go ahead or not was taken. It was looked upon as a powerful ally and one in which a great deal of reliance was taken. The importance of the entrepreneur's intuition and gut feeling seemed to grow in stature with their continued success and accomplishment.

Research question RQ 2, which concerned serendipity, had strong support from all the entrepreneurs and as such enjoyed a high ranking in the overall hierarchical Table 4.2 and the discovery Table 4.3. The majority of the entrepreneurs' ideas and opportunities came to them quite unexpectedly and most confirmed that the harder they specifically looked for ideas the less likely they were to find them. The terms 'chance', 'luck' and 'unexpected' were more commonly used rather than 'serendipitous happenings' in their personal histories.

Research question RQ 7, that concerned the use of visualisation and rehearsal techniques had universal support from all the entrepreneurs and as such justified its ranking as variable 1.2 in Table 4.2 and Table 4.4. This response constituted an interesting, but perhaps not surprising finding in so far that, although practised, it was something that one did not usually discuss. It could be likened to freely admitting that one said one's prayers each day; it was something somewhat personal and thus kept private. When the use of visualisation was admitted it was enthusiastically praised as being a very powerful tool and mechanism to make events come about and conformed to what the entrepreneurs wanted or desired.

Research question RQ 1, that concerned the importance of having a prepared mind with respect to the entrepreneur's discovery process, was represented by variable 1.1 in Table 4.3. This question was answered by implication rather than by direct reference. The importance of having the right mind-set and a positive frame of mind were specifically mentioned by the entrepreneurs in their personal histories as was the importance of having relevant experience upon which to draw. It was also accepted that most of the process seems to take place unconsciously once the 'software' has been programmed. This aspect constituted an important finding in the scanning process for ideas and opportunities.



Research question RQ 6, concerning the importance of having thinking space and quality time, was directly related to variable 2.4 in Table 4.4, and from the entrepreneurs' comments had universal support. This aspect was not surprising as it had been forecasted from the literature review, however, the variety of thinking places employed were. Each entrepreneur had his or her own special environment where they could allow their mind to wander on a free agenda. All the entrepreneurs were in agreement that it was impossible to enjoy the freedom of uncluttered thought while in the hustle and bustle of their business or family life. Many felt that this precious time allowed them to 'recharge their batteries'.

Research question RQ 8 and variable 2.1 in Table 4.4 sought to determine the benefit and use of goal-setting as a means to achieve one's vision. It appeared that this was a universally accepted planning technique practised in various guises by most of the entrepreneurs and hence justified in its ranking in Tables 4.2 and 4.4. Most admitted that it was the discipline of setting these goals that was important rather than rigid adherence to their accomplishment.

Although not listed as research questions, variable 8.12, the need to control their own destiny, variable 8.11 the desire to have their own business, and variable 8.8, the challenge becoming the driving force, all deserved their ranking in Table 4.2 and their high ranking in Table 4.9. All these attributes seemed to shine through the entrepreneurs' personal histories and certainly appeared to be an in-built requirement for the motivation, persistence and the determination for the creation and development of their entrepreneurial enterprises.

#### **4.4 Analysis of the findings in relation to the research aim and objectives**

This analysis of the findings specifically addressed the aim and objectives of the research including the research questions set out in Table 2.6.

The suggestions as to how the creative process began and evolved and in particular how ideas and opportunities were discovered, recognised and harnessed were covered by many of the extracts that arose from the entrepreneurs' personal histories relating to the variables outlined in Table 4.1. Being part of a holistic process each made a contribution to the overall process.

The answers to most of the research questions in Table 2.6 were mainly covered in the extracts relating to the discovery and internal process clusters of variables. In addition, the entrepreneurs' comments relating to the variables appertaining to their beliefs and what they themselves considered important, gave interesting insights into the context in which the process took place as it related to each entrepreneur.

Comments and recommendations that concerned the establishment of a 'can-do' attitude and the development of a product or business idea were contained in the concluding chapter of the research study.

Extracts from the entrepreneurs' personal histories in connection with the discovery cluster of variables provided the findings that related to the research questions RQ 1, RQ 2, and RQ 3.

#### **4.4.1 Research question RQ 1**

**Does having a 'prepared mind' constitute an important factor in the discovery of ideas?**

Experience was also attributed as being an important factor in this research study, a view also expressed by many researchers as being the foundation of many of the entrepreneurs' attributes.

Relevant extracts from the entrepreneur's personal histories in relation to having a **prepared mind**:

*'There's an abundance of opportunities that involve everything out there, and it is just a case of setting your mind to achieving them.'*

*'This achieving goals without being focused on them – first of all it was a goal, it was reviewed regularly. I had taken progressive steps over a period of time in the way of a sort of preparation, perhaps a mental preparation, preparing one's mind for it to happen one day. I had not, in this particular instance, actually set a time scale for it to happen.'*

(E16 – Engineering)

*'When you have made a few acquisitions, your mind seems to be scanning all the time for other opportunities even without you consciously knowing it is doing it.'*

(E20 - Property development)

*'It is strange how these opportunities come about, totally unexpected and unsought. I suppose I have had the background of relevant experience and my mind must have been in a state of alertness or awareness in order to recognise the chance when it came.'*

(E21 – Outsourcing)

*'I have often reflected as to why I gave up my comfortable job to start my own business, the reason has to be that the job somehow or other did not satisfy me, I wanted to be more in control of what I wanted to do. I suppose my mind was set in doing this.'*

(E25 - Health care)

*'I don't know how these things come to my mind, but they do and I seem to be able to see new markets where there's an opportunity to do things different and there is the background of experience which keeps driving me.'*

(E40 – Transport)

*'I think all ideas are worth keeping. I certainly don't sort of try to clear my mind the way you can clear out a computer program for example. It's all there in the back of my mind until something suddenly triggers the recall of the idea, that up to that time had been lying dormant. Then it suddenly comes out, because I want to develop something in a certain way and that special idea comes back into my mind and I can use it.'*

(E47 - computer services)

As indicated in Figure 2.7 in Chapter 2, the framework of the prepared mind represents the cumulation of many elements each playing its part as and when required. One of the elements, namely the entrepreneurs' general alertness, is now examined.

Relevant extracts from the entrepreneurs' personal histories in relation to **alertness**.

*'How I get the idea is just pure awareness, instinct. Pure awareness looking out for opportunities.'*

(E2 – Food)

*'I think if you work in a creative environment your subconscious is not necessarily better at creating ideas but I do think you become more adept at capturing them and analysing them.'*

(E4 – Engineering)

*'I'm certainly not a rocket scientist but I think I'm about the average brightness but way above the average in terms of motivation and being alert for the opportunity.'*

(E18 – Leisure)

*"It is difficult to define if you are mentally active all the time. What I would say is that I seem to be very alert and aware of what is going on around me."*

(E20 - Property development)

*"I hate detail work, I'm a bit of a dreamer. I have ten ideas every day. I mean that's not any exaggeration. I drive along and I see something or I think of something, or I hear something on the radio and it stimulates a thought and before you know it, there's another business idea."*

(E27 - Garden centres)

*'Most times during the night you start waking up and think about things and you have some brilliant ideas and come morning you drive yourself to despair trying to remember what it was.'*

(E29 - Repair services)

*'I like to move around and see what is happening in the various aspects of the business, I like keeping up to date. I consider myself to be fairly observant and alert to ideas.'*

(E34 - Antiques and fine art)

*"All the time you are collecting intellectual property from things that you see and things that you've watched other people doing as well. That is where a lot of ideas come from. It starts other people thinking. Sparking off your colleague to think. Being creative – which is from the "men up in the attic".*

(E40 – Transport)

Although not specifically mentioned as part of the research question RQ1 it was considered important to examine the entrepreneurs' personal histories with reference to the importance they placed on having relevant experience prior to embarking on their entrepreneur adventure.

Relevant extracts from the entrepreneur's personal histories in relation to **experience**.

*'People think using the phrase "seat of your pants" is a bit emotive and negative – it has negative connotations. I think it is a very positive quality. What you are allowing to happen is the build-up of years of experience and academic study, that one has had is now allowing messages to come through or directions to come through from that experience, that you would not necessarily get if you sit down and work it through.'*

(E16 – Engineering)

*'It is more difficult and risky if you take on something that is completely new to your previous experiences, unless of course you have the people on board who have the skills and knowledge that you yourself do not possess.'*

(E20 – Property development)

*'I worked for a firm selling their products and that gave me the relevant experience of selling as well as the product knowledge.'*

(E24 – Do-it-yourself supplies)

*'I had the benefit of having had the experience of being a qualified dentist, so the background was not unfamiliar to me.'*

(E25 – Health care)

*'I believe that what I've learned has been so much. I'm not saying you can put exactly what you have learned into another situation, but it is a case of having an*

*open mind, drawing from your own experience and applying it to arrest whatever situation you are trying to improve.'*

(E37 – Furniture suppliers)

*'The managers we acquired with our European acquisition are very good. They fit in with our culture, they are confident, they are experienced. We will use this as another means to expand our operations into other parts of Europe.'*

(E40 – Transport)

*'I then started taking cars apart and put them together again, tried to make them go better and faster. So it was suggested to me that maybe a garage might be a good idea. So I thought about it and came to the conclusion that it might be a good idea and started a conventional repair garage complete with two mechanics.'*

(E44 - Replacement cartridges)

#### **4.4.2 Research question RQ2**

**Do ideas ever occur by chance, if so how many and in what context?**

In addition to happenstance and chance, the phenomena could also be termed a serendipitous discovery, or just luck.

Most entrepreneurs recalled many occasions when ideas had suddenly came to them, especially the ideas that were eventually converted into opportunities. Some also made reference to having a 'guardian angel', or that 'someone was certainly looking after them'. Many made the comment that these occurrences seem to happen when they were not actively looking for ideas. In fact, the harder they looked, the less likely they were to find them.

Relevant extracts from the entrepreneur's personal histories in relation to **happenstance**:

*“I mean what happens is you get these ideas unexpectedly, you kick yourself for not thinking of it before, sometimes it is so obvious. It happens quite a lot, you look back and you think God almighty I should have been thinking about that – something just dawns on you.”*

(E14 – Manufacturing)

*‘To expand our water business it was imperative that we found another source of water. We met a gentleman who was also a farmer, he was actually doing some landscaping for my garden. He asked me what I did for a living. When I told him he said ‘oh water, I have got this problem, I’ve got water constantly coming out of the ground and it’s washing all over my yard and I can’t stop it, in fact it’s been there for years’. Testing the water quality we found it was excellent for our requirements. The farmer used to bottle his own milk and still has all the plant necessary for this operation, so we now have the means of bottling the water as well. To cap the serendipity of the situation, the farm is on our very doorstep.’*

(E17 – Retail)

*‘It is strange how these opportunities come about, totally unexpected and unsought. I suppose I have had the background of relevant experience and my mind must have been in a state of alertness or awareness in order to recognise the chance when it came.’*

(E21 – Outsourcing)

*‘I suddenly had this idea of an insurance scheme similar to that for private health insurance schemes and the pet plan etc. but directed to dental care. The more I thought about the more excited I was about the potential.’*

(E25 – Health care)



*'We started to carry out the earthworks ourselves with a second hand machine we had bought for £2500. We had produced a mountain of top soil when the machine blew itself up. Within two days two things happened: a man in a Mercedes car drove up and wanted to purchase all the topsoil and apart from paying the market price, offered to complete the earthworks and hard core for us free of any charge. The next day a van drove up and enquired about the JCB, which was of course wrecked. He wanted just the end section to replace one he had, he gave us £2750 for the wreck.'*

(E27 – Garden centres)

*'I had an unexpected break. The local reporter of a national paper called and as a result produced an article in a Sunday paper about what I was doing. From that moment on we were inundated with business, people came from all over Scotland.'*

(E29 - Repair services)

*'I was pointed to a yellow book on a shelf and as I walked along another book suddenly fell off a shelf, and, this is true you know, I picked it up and it was an American book. Once I read it, I was inspired by it. I thought this is meant for me, the book has certainly changed my life.'*

(E33 – Motivation consultants)

*'I don't know how these things come to my mind, but they do and I seem to be able to see new markets where there's an opportunity to do things different and there is background of experience which keeps driving me.'*

*'Re the ideas I have, some of the things just come to me, if something comes to me at an airport I'll write it down, if it is a job for me to do or visionary stuff I will write it down. I list things to do things to check things to remember. Some of these things just come instantly, maybe in the middle of a management meeting where we are all talking about something else.'*

(E40 – Transport)

*“It just so happened that at home we had we had a bit of bad ventilation in a corner of the ceiling and I decided to apply a concoction that I had developed to that patch. It seemed to work all right and I forgot all about it. One Sunday morning, lying in bed just dozing I noticed there were a couple of insects, a spider crossing the ceiling on one side and a moth was crossing the ceiling on the other, until they came to this patch. Neither of them would go on to it, so that convinced me that there was something about the patch which was repellent to insects, so I got out of bed and later on that afternoon I decided that it was possible to do something about it. So again looking very carefully at the formula I decided it was possible and produced a concoction as an insect repellent.”*

(E50 – Insect repellents)

#### **4.4.3 Research question RQ 3**

**Does intuition and gut feeling play an important part in the entrepreneurs’ decision taking?**

Over their life paths and many experiences, the entrepreneurs had developed a trust and sometimes reliance on their intuitive insight abilities in particular situations. It had been expressed as a subconscious drawing from innumerable experiences that were stored and one drew from this reserve without conscious thought. Many intuitive decisions were, in part, based on input from facts and experience which had been gained over the years, combined and integrated with a well-honed sensitivity to more unconscious processes.

Relevant extracts from the entrepreneurs’ personal histories in relation to **intuition and gut feeling**:

*'How I get the idea is just pure awareness, instinct. Pure awareness looking out for opportunities.'*

*'I will put a category in there without having any idea of what the recipe is, what the product is, how I am going to make it, or how I am not going to make it. I have no concept, all I know is that there is going to be another range of breads and I will do the research, do what I have to do to create this range of breads. I just know by my intuition that at that time this has to happen.'*

(E2 – Food)

*'I would like to think our success was down to hard work and determination. I don't normally like to take "no" for an answer. I don't really mean that in an aggressive way, but I like to win on the day and if not today I go back and knock on the door again and again, especially if I have this intuition and believe that one day the job will be ours.'*

(E9 – Cleaning)

*'When the chips are down I do trust my instinct, gut feel, whatever you call it. Many times I have had to got out on a limb because of it. It has never let me down so far.'*

(E15 – Oil and gas exploration)

*'I suppose I thought the source of my ideas were from my intuition, like sometimes I felt that I had to be in a certain place at a certain time and I just did that.'*

(E31 – Environmental protection)

*'Your insights are very important. It is important for everybody to get a handle on them and to practise visualisation, because that is where the real meaning to me is. It has to be a thought before it's a reality and it is a visualised thought.'*

(E33 – Motivation consultants)

*'I didn't really have any goal or any actual grand master plan, I tended to follow my instinct in terms of what was right for me at the time and kind of went on that gut feel basis.'*

(E41 – Electronics)

*'I use my intuition a lot, re trusting people, well I think you have to trust but you make up your own mind through intuition. For me, I can tell immediately, as soon as I meet somebody if I have any unease, but you know you never trust people and give them the licence to misbehave or if they are under pressure you must always check. Keep hold of the piece of string.'*

(E42 – Optical equipment)

#### **4.4.4 Research question RQ 4**

**Does it appear that having self-belief and self-efficacy forms an important basis of having confidence and ability to make decisions?**

Relevant extracts from the entrepreneurs' personal histories in relation to **self-belief and self-efficacy**.

*'One of the great secrets about people that can present well is to know when to allow their emotions to come through because it can be remarkably powerful. It can be absolutely dire if it's wrong. At the same time it can be fantastically effective. You know, again it comes back to those people who really believe in what they're doing, and if they feel it's right then it comes through as a form of conviction.'*

*'One of the attributes of the successful entrepreneur is their self-belief. They recognise that the basic idea is correct and that it is going to need application, development and all the rest of it. His self-belief that the idea is damned well going to happen in whatever final shape or form and as long as he can control the process of its*

*development and implementation. He probably sees that there is very little risk involved, it's the outsider's view as to the level of risk.'*

(E4 – Engineering)

*'My strengths are my belief in what I am doing and what I have got here.'*

(E13 – Manufacturing)

*'If you leave school at 16 and you don't have anybody to pick up from, so there is no sort of a background, but if you have the right sort of aptitude and say to yourself 'now that is where I want to get to. I'm going to get there just by whatever it takes.' You have set your vision, you are beginning to have goals and above all you start to have self-belief that you can-do it.'*

(E14 – Manufacturing)

*'There are the two things that I consider the most important in a successful business: one is total self-belief in what you are doing, the second is the importance of having good people. The strength of the team is always going to be greater than the individual and you always play to someone's strengths.'*

*'I think what has been fascinating for me is seeing the growth of the company. In the last 4/5 years is the building of the total self-belief in the team. I appreciate that this self-belief also stems from the success we have had – against all odds really.'*

*'The difference in the successful individual is that he or she has the mental strength to believe in their ability, that on the stage he or she will perform as expected or better. So once again I come to the magic ingredient having a total self-belief in your own ability to make it happen.'*

(E15 – Oil and gas exploration)

*'I suddenly decided that the time was right to set up my own company. I had had the experience, the background and the know who to do it. A momentous decision for us for we had no capital, but a total self-belief that we could do it.'*

*'I know I am ambitious even to the point of no return. I am going to get to where I want to be, build the business to where I want it to be, even if I have to stamp on most peoples heads in order to get there.'*

(E17 – Retail)

*'I found that selling was what I believed in and what I was interested in and I have never been the greatest person in selling. But my quality has been tremendous persistence and determination and to believe in something and if something doesn't interest me or motivate me I just won't do it.'*

(E19 – Communication)

*'Once the business had started and the finance was borrowed and committed, there was only one way to go: the business just had to be a success or we were financially ruined. One thing I did not lack was self-confidence and total self-belief that the business could or would be successful.'*

(E32 – Artist supplies)

*'But I believed in what I was teaching and I knew it would come and I actually believe that when you are up against the wall you are at your best not when it is going easy. When you are up there and you really have to find a way, your own creativity will come through, or you're conscious of meaning something. If you passionately believe you will do it – it will happen.'*

(E33 – Motivation consultants)

*'We built the firm into one of the best commercial property practices in Scotland, super. I've always been in the management of making things happen and I*

*don't know where that came from, but it has certainly been there. Probably stems from my total self-belief.'*

(E38 – Solicitors)

*'I think what seems to be the secret is that there is this inner drive, this inner belief, this inner goal which focuses your energy and drives you forward.'*

(E43 – Counselling services)

*'I have absolute faith and belief in what I do. The only worry I do have is that people try to put one over on me and as a result I'm doing everything to try and guard against that.'*

(E50 – Insect repellents)

Extracts from the entrepreneurs' personal histories in connection with the inner processes cluster of variables provide the findings in relation to the research questions RQ 4, RQ 5, RQ 6, and RQ 7

#### **4.4.5 Research question RQ 5**

**Do sense of values and principles formed in early life help to establish standards of business behaviour?**

It was very clear that most of the entrepreneurs had standards, values and principles that they tried to uphold. These invariably originated during the entrepreneurs' early formative years, and subsequently fashioned by their upbringing and the social context of their environment. The entrepreneurs' own sense of values appeared to represent their core strengths in many cases, and as such, rarely changed.

Relevant extracts from the entrepreneurs' personal histories in relation to **values and principles**.

*'The goals have to fit in with my values, if they don't then I'm out of the comfort zone and I have to change them.'*

(E16 – Engineering)

*'My parents were always very morally upbringing, especially mother, very much churchgoers, and you don't realise that you yourself have them, because of the way you have been brought up. It is the way your parents have treated you, and the way you have been brought up and the values they give you. It is what shapes and moulds our characters and the values we uphold in our life.'*

(E24 – Do-it-yourself supplies)

*I would have said that the parable of the talents was very important to me. Because the parable of talents is whatever your talent is, whether it be great or small, then you should use what you have to the best of your ability, and you have a responsibility to do that within the context of your Christian beliefs. So I think probably that was the thing that was the discipline as per my life, because there is always a disciplinary aspect as well. The disciplinary aspect of my life is the sort of drive where a lot of it was family-generated. There's an element of faith to it as well.'*

(E40 – Transport)

*'I was brought up with probably very different frames of reference to most people because I had quite an unusual upbringing. We didn't have a television in our home and our parents were very strict evangelical Christians and this was part of the frames of reference which I chose to adopt as opposed to having them forced on me. I say adopt because it's not quite an adoption process, but I guess I have for myself accepted many of these values.'*

(E42 – Optical equipment)



#### 4.4.6 Research question RQ 6

**Does having special thinking places and quality thinking time help to develop the ability to harness and crystallise ideas into opportunities?**

The entrepreneurs' appeared to have the need to get away from the daily ritual, sought refuge in their own thoughts and had to have quiet places to be able to think. These did seem to be a universal requirement. Somewhere away from the hustle and bustle of business and family life allowed their minds to have a freewheeling agenda and their imaginations to be set in motion. This variable gained a lot of support and provided an amusing array of the 'best places', from having a shower, to stroking the dog's ears.

Some relevant extracts from the entrepreneurs' personal histories in relation to **thinking spaces**.

*'I do a lot of thinking, looking for ways to improve everything, trying things out. Having the time and right place to do the thinking is important to me.'*

(E1 – Food)

*'I do a lot of thinking but it's mostly just in the course of em the evenings at night time, at home, on the journey home em in the car.'*

(E2 – Food)

*'Frankly the thing that calms me and also a good quality thinking time is stroking the dog's ears. That's why I say it's an unconscious process, it is one which I think the more you try to control the more lucid it becomes.'*

*'The ability to have thinking time quite often sparks the unconscious. You can quite frankly spend time thinking the thing out and get nowhere by having structured processing. Then you're driving off somewhere on Saturday or taking the dog for a*

*walk and suddenly this blinding light hits you and you feel a complete idiot for the answer is very often very obvious.'*

(E4 – Engineering)

*'If you are busy, involved and totally committed, it is difficult to switch off on a regular basis. I do some off-site thinking maybe once or twice a week – taking my dogs out, walking the hills.'*

(E14 – Manufacturing)

*'I try to give myself a lot more thinking time, it is difficult in the office, now we have operations all over the world I can think when I am travelling in the plane. Having thinking space is very important.'*

(E15 – Oil and gas exploration)

*'I find I have the best ideas when I am not directly involved in the business, I do share my ideas with my wife who is also involved in the business. I consider having thinking space important – let your mind sort of free range over many things.'*

(E17 – Retail)

*'I try to get some space, quality thinking time, a lot of people don't have enough and don't make time to have enough, they always think they should be busy and should be doing something. I believe the best thing to do is to think and then take action.'*

(E19 – Communication)

*'I find great benefit in having quiet places to think, let your mind wander on a free agenda, at this time ideas flow, take shape to the extent you just have to write them down before they escape into the long term memory.'*

*'Travelling does present a wonderful opportunity to sort the wrongs in the world out, to reflect on what might have been, to formulate in your mind where your*

*vision is taking you. Reassessing the priorities in your life. It is like going to a library – there is so much there.'*

(E20 – Property development)

*'Time to myself, it's amazing how apparent the decision becomes and hows and whys I should or not do it. I'll go hill walking on my own, climb mountains on my own. I'll go sailing on my own and I like the solitude of it being on my own, I'm quite good on my own.'*

*'I think you've got to get away from the environment for a while, you have to get out of the rut, from the same track all the time. You have to concentrate and say what are we doing and why are we doing it? What can be done and what should be done about it? You need that reappraisal, then to come back with a freshness of purpose and a clear vision and say I'll go in this direction because I have thought about it and it is amazing how clear it becomes and how focused you@ve become on it.'*

(E24 – Do-it-yourself supplies)

*'I do have shower thoughts, what I call shower thoughts when you are standing in the shower and when you have nothing else to do and you think things.'*

(E29 – Repair services)

*'I now believe that you have to have a vision of what you want to happen and the way to make it happen, but I am at this stage not sure of the process. It helps if I can find somewhere quiet to think, be on my own, sort things out.'*

(E30 – Food)

*'I meditate, have done since I was very small, I have special thinking spaces where I can communicate with my innermost thoughts and feeling. This aspect is very important and necessary in my life. I need the thinking space.'*

(E31 – Environmental protection)

*'I love quiet moments, places quiet where I can think. I'm quite comfortable with my own company, never happier than when throwing husband and children out of the door.'*

(E35 – Communications)

*'I lost my driving licence. I now take the train a lot because I have no option. The quality thinking time that has given me is absolutely phenomenal. It's got me back focusing who I used to be; I used to have a lot of quality time. I need to be on my own, just getting to hell out of it, space to actually think, become creative and to put things in order.'*

(E37 – Furnishing)

*'I rise early every morning and I walk for an hour and during that hour I've got all the problems, the immediate problems, solved. If I have a problem I can't solve and it's worrying me, I'll pigeon-hole it mentally and it goes into the box and I'll not worry about it. I will go back to that box another day and pull it out and try to deal with it.'*

(E42 – Optical equipment)

*'When you are away on holiday obviously that gives you quality thinking time. When you are away from the day-to-day pressures, things become possible which you wouldn't normally consider to be possible – mind you I may say that as soon as you come back it becomes impossible again.'*

(E44 – Replacement cartridges)

#### 4.4.7 Research question RQ 7

**Do many of the entrepreneurs use visualisation and rehearsal techniques in order to achieve their objectives?**

The entrepreneur's mental modelling activities were expressed in the way they used visualisation techniques to picture and enact situations before they occurred. They developed a discipline of maintaining contact with their visions and cultivated the ability to have others share and own their visions. It was interesting to note that while visualisation and rehearsal techniques seemed to be something most entrepreneurs actively practised, it was something that they did not readily talk about. It however constituted a very powerful tool in the achievement of their objectives and in the control of their own environment.

Relevant extracts from the entrepreneurs' personal histories in relation to **visualisation and rehearsal techniques.**

*'I just had a feeling, I think some people call it a dream, but I can see what is going to happen, yes visualise what's going to happen. I can also visualise as to how we're going to get it. Some people call it determination or just as, em, as they say in the North east, "a thravness", I don't think it's that, I can visualise it and I can feel it.'*

(E9 – Cleaning)

*'I do visualise. I visualised the opening of that shop, a lot of it actually occurred exactly the way I had visualised it.'*

(E10 – Retail)

*'I have always had a vision of where we are going and what the next steps along the way will be. The team is injected with this same vision so that we all pull*

*together as a real team – remember what I said earlier, the team is stronger than the individual players. '*

(E14 – Manufacturing)

*'I think all the basic goals that we set out to achieve are all just being ticked off, we haven't significantly moved from the original goals that we set. The business has developed along the lines of the vision I had then. '*

(E15 – Oil and gas exploration)

*'You must always have a vision and that is what we are currently developing. We are different from other people, we do things differently. I have got a lot better this year actually putting down what I think is important. '*

*'They carried out the detail and I had always the bigger picture, the vision, but we had a brilliant team and in the end they also thought we could do anything. They thought we could go through brick walls. '*

(E16 – Engineering)

*'I do practice visualisation and rehearse the various scenarios. I think I have always done that in my life. It becomes a natural thing to do. I am at my most mentally active in the early morning. I can see things very clearly. '*

(E19 – Communication)

*'You have to involve your staff in what you are doing and you have to give them some sort of incentive and some sort of targets. You have to involve them in the vision you have for the business in such a way that they feel it is also their vision – a sort of ownership thing. '*

(E20 – Property development)

*'I wrote down my vision, made it into a business plan, explaining how it would evolve. I then formed a trust around the concepts of the vision. I had goals to achieve.'*

(E27 – Garden centres)

*'I visualise a lot and I mentally rehearse a lot. I've mentally rehearsed this interview today because I know it is important to me that you can get something out of it because I know I'll get something out of it later on.'*

(E31 – Environmental protection)

*'I have never ran for strategy, I've ran for vision, knowing it will all fall into place. Every morning I programme my day, that is, I visualise the day I want it to be. I go over my visions at night time and in the morning – my business visions, my personal visions, family visions' and this morning I was revisiting and redesigning my goals and changing some of them. I've just gone through a sort of metamorphosis.'*

(E33 – Motivation consultants)

*'I usually describe our vision from various points in time, short term and long term. The vision for the future is perpetually changing, this is because we are moving so fast. At one time the vision was restricted to this country, then the third-world countries, now it is Europe.'*

(E40 – Transport)

*'I visualise. I draw my goals. I look at them before I go to sleep and there are statements for each one. They are trained in as well. I rehearse my vision and goals regularly.'*

(E43 – Counselling services)

#### 4.4.8 Research question RQ 8

**Does the use of goal-setting techniques help to achieve business objectives?**

Goals and sub-goals were used by the entrepreneurs as stepping stones towards the achievement of their vision. Recording their goals and revising them when necessary was a discipline used and expressed as ‘just being a matter of course – doesn’t everyone not do this?’

A number of entrepreneurs expressed the view that the discipline of setting goals was sometimes more important than their achievement, that their goals were never written in ‘tablets of stone’. There was a need for flexibility, and at times revision, to meet changing circumstances.

Some relevant extracts from the entrepreneurs’ personal histories in relation to goal-setting.

*‘I needed to have goals. The one feeling that I’ve got now with a certainty, is that what I’m doing at the moment in achieving my goals combines all the things that have really excited and satisfied me throughout my life in one particular area.’*

*‘I’m very goal driven, I have always been that way.’*

*‘I’ve got my top ten goals which I look at regularly and then I’ve got a list of all my goals that has a date on them, but I don’t get upset if I don’t achieve the date. It just goes on to the next month.’*

(E16 – Engineering)

*‘I need to set goals to reach the vision I have as to where I want to achieve in my life – I need the stepping stones.’ ‘I want to be in control, I think that more than anything else, I want to be in control and I want to push forward and I want to set*



*myself goals. When I have achieved them I will sit back and say that's me that has done it.'*

(E17 – Retail services)

*'I have always had to have goals, something definite to go for – some goal, definitely. But one time in my life I did not have any goals, it was the only time I ever could appreciate what it must be like to have a nervous breakdown. For six months I didn't have a goal, I was wandering.'*

(E18 – Leisure)

*'I am a great goal-setter or whatever you like to call it, but you have got to plan. It's a combination of the two – what you need to visualise and what you need to focus. The mistake most young people make is that they have goals and everything is great when things are going well. But when things go wrong and they have a major set-back, that is when they stop focusing on the goals and forget that you need the goals when things are going wrong.'*

(E19 – Communications)

*'I think personal goal-setting is absolutely important. Every day I've got a goal that I have to set myself, one for every single day of my life. I find I have to focus on something, focusing on goals is very important to the success of the business.'*

(E37 – Furniture suppliers)

*'I have goals and plans for nearly every aspect of my life, apart from the business goals. I have goals and budgets for my family and these are all down on paper. My family laugh and ask 'when is it budget day'*

(E42 – Optical equipment)

*'When I have a goal, I just go for it. I am very focused and very determined – not easily put off. I'm good with people and seem to be persuasive where it is*

*necessary and able to get people to come with me instead of pushing them. I always seem to have this tremendous energy. I think what seems to be the secret is that there is this inner drive, this inner belief, this inner goal which focuses your energy and drives you forward.'*

(E43 – Counselling services)

From the findings it is possible to summarise the generic themes which arise from the research questions. These are listed in Table 5.1

**Table 4.10 Generic themes arising from the research questions**

- Having a prepared mind, the right mind set, is crucial to recognising ideas and opportunities.
- Ideas and opportunities seem to materialise quite unexpectedly, seemingly by chance, especially when they are not actively looking for them.
- Use their 'gut feeling' and 'right feeling' instincts in decision taking and problem solving.
- Their total self-belief and self-efficacy gives them the confidence to achieve whatever they do.
- Values and principles established in early life continue to play an important part in their attitude to business activities.
- They believe it is essential to have quality thinking time and the right thinking environment.
- They consider the use of visualisation and rehearsal techniques powerful management tools in achieving their objectives.
- They practise goal-setting as a means of achieving their overall vision.

#### **4.4.9 Research aim of determining how ideas and opportunities are discovered, recognised and harnessed.**

Extracts from the entrepreneurs' personal histories in connection with ideas, reasons for idea adoption, rejection and incubation provided the answers in relation to how ideas are discovered, recognised and harnessed.

#### 4.4.9.1 Ideas

Relevant extracts from the entrepreneurs' personal histories in relation to ideas.

*'I'm one of these dreadful people that carries around one of those little recording machines. Because it's almost guaranteed that if I don't make a note of the idea I'll forget it by the time I get back, or rather have lost the essence of it or rather the direction the idea is taking me.'*

(E4 – Engineering)

*'I like to keep things to myself, I would never share my ideas with anyone until I was confident about making them work. I suppose I am a sort of secretive person, not letting people learn too much of what my plans are until I am ready to let them know.'*

(E10 – Retail)

*'I am always writing my ideas down or speaking into my Dictaphone in the car, because ideas are so vital for getting the business to grow.'*

(E12 – Property)

*'I have a number of ideas outside of the business of things that I would like to do one day. I doubt if I ever will, but it is always nice to take them out, dust them off, and think about them.'*

(E15 – Oil and gas exploration)

*'I find it useful you know to write the goals down. I think it adds another dimension to you. If you write them down its becomes real, it is not just a thought that has drifted off.'*

*'Ideas – you never stop thinking about them and some of them come to fruition and a lot of them do not. I write them down and I'm a terrific scribbler. I've got to write them down, in my diary – keep them for years, keep going back over them.'*

(E16 – Engineering)

*'I did think about having a notebook by the bed to write my ideas down. I could just see what my wife would say if, "What are you doing?" 2I'm just writing a wee note, right.'" I tried it once with a tape recorder and I tell you it was a very simple decision to make, "its either the tape recorder or me darling You make up your mind" and I decided I'd have more fun with Anne.'*

(E29 – Repair services)

*'Like every good entrepreneur I kept my ideas strictly to myself until I was ready to expose them to the light of day. When I eventually did and it was to my wife, I nearly got divorced for the third time in my life. She thought I had gone stark raving mad. The bank manager wasn't too excited about it either.'*

(E32 – Creative products)

*'When I am travelling I always look out for good ideas, they always appear exciting when you are ten thousand miles away, and when you come home you look at the file, take them out and then throw them into the bin. On this last trip, one idea I didn't throw away. It struck me as a wonderful idea at the time and the more I think about it the more I like it. Now that I have put flesh on the bones of the idea, I feel I can share it with others.'*

(E44 – Office equipment)

*'I never discard my ideas. I've always kept a note of them somewhere since we installed this electronics system which has been running for about a year. I don't chuck anything away. Nothing might come of these ideas for a period of time, but I*

*won't discard it just because it does not suit me now, as it doesn't mean it won't suit someone else later.'*

(E47 – Computer services)

*'It is true that I start out by looking at problems, then in trying to solve these problems ideas come to me by chance, but I have the skills and knowledge to investigate these ideas and in many cases turn them into opportunities.'*

(E50 – Insect repellents)

#### **4.4.9.2 Adoption of ideas**

High on the reasons for idea adoption was the obvious one of providing the entrepreneur with a market opportunity and the chance of exploiting a market niche. Nearly all the entrepreneurs' ideas were focused on this aspect. They appreciated that this was where the early 'pay – off' was going to materialise. Many of the entrepreneurs felt that this was the most important contribution they could themselves make to their business.

Providing a competitive edge and filling a gap in the product line were all part of their marketing strategy, and as such they appreciated the requirement for a continued input of ideas to make it possible.

With such a preponderance of ideas, one of the first filtering mechanisms was the entrepreneur's 'gut feeling' about the idea. An interesting point about this was that once the entrepreneur had made his or her preliminary 'gut feel' decision about an idea, it was difficult to get a totally unbiased reaction from him or her about the idea in future deliberations.

Relevant extracts from the entrepreneurs' personal histories in relation to the **adoption of ideas**.

*'You have to be innovative, you have to have the edge and you have to be looking for the next one all the time. But most of the time the edge is handed to you, I mean people will actually tell you what they want, whether you can deliver it or not is the difference between whether or not you actually have the edge.'*

(E4 – Engineering)

*'We are very much involved with shopping centres now. We have identified a niche in the market and we are exploiting it – it just keeps growing.'*

(E9 – Cleaning)

*'I suppose at the time I had developed a sort of tunnel vision, sold on a theme which would be carried all over the world. What I had identified was a niche market.'*

(E13 – Manufacturing)

*'I planned to buy myself into a small company, that perhaps needed sorting out or be improved. I would buy them at a value which I thought could be enhanced significantly with my input.'*

*'This was my basic training and I know it well, and you get the 'gut feeling, you get all the stuff that is crammed into the back of your head with flashing warning lights at the right time. That is what you should stick to because if you get into other areas, where you don't have the same depth of experience you're not going to get the warning lights.'*

(E16 – Engineering)

*'Adopting your ideas, depends a great deal on timing. I believe there is a right time in life to do things, if you try and buck the system you are more inclined to get unstuck.'*

(E20 – Property development)

*'I believe I have an idea that would enable me to build a group within 3 to 4 years that would make 50 to 80 million profit. It would cost about 22 million altogether to put it together and I believe the I could float it in 3 to 4 years for about a billion.'*

(E27 – Garden centres)

*'I didn't really have any goal or any actual grand master plan, I tended to follow my instinct in terms of what was right for me at the time and kind of went on that gut-feel basis.'*

(E41 – Electronics)

*'My ideas really started when I visited America and saw what they were doing there, what the trends were and I knew that it would eventually happen here and was determined to be ahead of the game, not a follower.'*

(E49 – Milk products)

#### **4.4.9.3 Reasons for idea rejection**

Relevant extracts from the entrepreneurs' personal histories in relation to **rejection of ideas**.

*'The majority are either discarded because these are ideas which have been developed for products that work and you take them out into the market. You then discover that there's something already there that's doing it and it's therefore become a 'me too' product and it has no particular benefits over what's already there.'*

(E4 – Engineering)

*'It is amazing how you develop a sort of a 'feel' for things and situations – you just know whether it is the right thing to pursue and even if it is the right time.'*

(E9 – Cleaning)

*'If I am not happy with something or don't have the right 'feel' for the situation, I put it on the 'back burner' for a while, prevaricate a bit, or just wait. Other things that I am not completely happy with, I play with it for a while and see what develops.'*

(E12 – Property)

*'I have lots of ideas for expanding the business but it comes down to the same old question, where is the money coming from?'*

*'I get a sort of feeling about things, a friend of mine says if a stockbroker taps his nose it gives you a signal. I get a sort of gut feeling about people and situations. Mind you I don't always follow my instinct.'*

(E13 – Manufacturing)

*'Financial constraints obviously do constrain some of the ability to take on some of the ideas and I think when you remove those problems, it will alleviate the day to day pressures that lead to a monthly pressure, it will allow me to be a little more creative again.'*

(E17 – Retail services)

*'I am not a big risk-taker, some people are. I certainly evaluate things, I tend to be cautious, by nature I tend to be cautious, hence the reason why I've had my own business for so many years. I like the security, I like knowing what I have.'*

(E24 – Do-it-yourself supplies)

*'People will say I am much calmer now and sometimes use the words 'more understanding.' Perhaps cautious is more correct. I'd hope that the caution isn't a case of not being able to respond quickly.'*

(E29 – Repair services)



*In this business you have to make up your mind to, say buy something very quickly, otherwise someone else has stepped in and beat you to the punch. I have a sort of right feeling about what I buy and rely quite a bit on that.'*

(E34 – Antiques and fine art)

#### **4.4.9.4 Reasons for idea incubation**

Relevant extracts from the entrepreneurs' personal histories in relation to **incubation of ideas.**

*'We had many ideas to expand the business but they all required extra financial resources so had to wait their turn to be implemented.'*

(E32 – Creative products)

*'It is one thing having a great idea, but it is another thing persuading financial backers to bear the cost of developing the opportunity into a finished product. Until the financial resources were in place the idea was put on hold.'*

(E36 – Medical equipment)

*'I rise early every morning and I walk for an hour and during that hour I've got all the problems, the immediate problems solved. I have an assistant. If I have a problem I can't solve and it's worrying me, I'll pigeon-hole it mentally and it goes into the box and I'll not worry about it. I will go back to that box another day and pull it out and try to deal with it.'*

(E42 – Optical equipment)

*'If I had a problem that I felt I did not have an instant answer for I'd just let it be there. I'll bear it for a while and think about it in between times and take no precipitate action till I work out what's the best thing to do. Of course sometimes the best thing to do is not to do anything, but it took a wee while for that to grow on me.'*

(E44 – Office equipment)

*'Of course I have ideas all the time. Well some of them I just shelve for the moment and we try to concentrate on where we can actually get sales and where we can generate some money.'*

(E50 – Insect repellents)

Table 4.11 lists the generic themes associated with the entrepreneurs' discovery of ideas and how they are mentally processed.

**Table 4.11 Generic themes associated with the discovery of ideas**

- Reluctant to 'let go' of an idea once it is in their mind.
- Relish the mental challenge of progressing an idea into an opportunity.
- Prefer to keep the idea to themselves (private phase) before going 'public' with it.
- Do not want to be subjected to 'negatives' until the idea can be defended.
- Keep a private bank or store of their ideas in 'incubation'.
- Make a point of writing down or recording their ideas in case they forget.
- Most of their ideas concern their enterprise.
- Many of their ideas are adaptations to an existing product or service.
- Ideas occur to them quite unexpectedly, by chance, serendipitously.
- They obtain most of their ideas away from their office, mostly while travelling.
- Ideas are rarely discarded, in the belief that their day will come.
- Most ideas put in incubation await additional information, resources or better timing.
- Often they use other people's ideas and convert them into opportunities.
- Previous experience is important in identifying ideas and converting them into opportunities.
- Their ideas invariably change shape and content over the creative process.
- Having a prepared mind, the right mind set, is crucial in recognising ideas and opportunities.

#### **4.4.9.5 Entrepreneurs' beliefs**

The main purpose of the cluster of variables on entrepreneurs' beliefs was to use these variables as a means of identifying from the entrepreneurs' own accounts, opinions and viewpoints that appeared to be generic among the entrepreneurs. These

generic themes gave weight to the context within which the entrepreneur's mind-set and the discovery process evolved.

Only a few of the themes appeared to be directly related to the discovery process, however, some of the other themes that were mentioned made an important contribution to the understanding of the holistic aspects of the overall process.

Relevant extracts from the entrepreneurs' personal histories in relation to the **entrepreneurs' beliefs**.

Importance of having the **best people**. This variable was rated the highest and certainly appeared to be the thread that ran through most of the interviews. The message was that it is important to get the best people you 'can't' afford, as they will undoubtedly pay off the investment many-fold.

*'I am still the creative thinker in the organisation, however leaving that aside I try to gather good people around me. I do have good people around me because I do appreciate there is no way that, you know, one guy can carry on running the show. You have got to gather people around you.'*

(E6 – Financial services)

*'I get a lot of pleasure from bringing my staff on. I try to pick the best people; people who have lots of energy, loads of drive and are willing to work hard. Staff either last or they don't last past the three-to-four-month mark.'*

(E12 – Property)

*'Now I knew where I wanted to get to, the question was how was I going to get there. That is where I started to recognise the importance of having the right people to make it work.'*

(E14 – Manufacturing)

*'There are the two things that I consider the most important in a successful business, one is total self-belief in what you are doing, the second is the importance of having good people. The strength of the team is always going to be greater than the sum of the individuals and you always play to someone's strengths. They carried out the detail and I had always the bigger picture, the vision, but we had a brilliant team and in the end they also thought we could do anything. They thought we could go through brick walls. Having the best people is very important. They can bring so much to your life and I think bringing them together and creating a team gives me a such a buzz.'*

(E15 – Oil and gas exploration)

*'It was important to stop the haemorrhaging of cash from these loss-making companies. So my idea was to bring in my own disciples and inject them into each company so that they obtained our virus, which was based on a real life situation, not commercially protected. It was necessary to recruit the best people to do this.'*

(E20 – Property development)

*'There is an old adage which I live by which says "do what you do best and hire the rest.' It is important that you get the right staff for your business, but you know, staff have their own agenda, it's your business and they don't care about your business, they just want to do better at their job and they have their own agenda.'*

(E25 – Health care)

Need to be **in control** of their own destiny. For most people this remains an unfulfilled dream; the entrepreneur, however, does make it happen, at the right time.

*'What drives me is basically wanting to be independent, not having somebody telling me what to do and knowing that you can look after yourself. That you yourself, are solely responsible for your own life.'*

(E12 – Property)

*'I don't want to know what's going to happen in the future because I think it would be boring. I think that part of life is the challenge and I don't really want to know. Yeah sometimes you are curious, but I will make my own destiny. I want to be in control, I think that more than anything else, I want to be in control and I want to push forward and I want to set myself goals. When I have achieved them I will sit back and say that's me that has done it.'*

(E17 – Retail services)

*'I have often reflected as to why I gave up my comfortable job to start my own business. The reason has to be that the job somehow or other did not satisfy me, I wanted to be more in control of what I wanted to do.'*

(E25 – Health care)

*'I had just resigned from a large firm. I didn't know what I was going to do – hadn't a clue. First of all I had a conference with myself, my inner voice, and came to the conclusion that I wanted to control my own destiny and to do that I had to be in control.'*

(E38 – Solicitors)

To **have one's own business**. must be many people's dream, but for most, it remained something only to fantasise over.

*'I always knew that I would be working for myself at some stage but I felt that I was going to learn somebody else's business first. I didn't think antiques was what I wanted to do because of the idea of being stuck in a shop and there was a part of me that wanted to go out and see part of the world.'*

(E17 – Retail services)

*'My parents were teachers and I was conditioned to believe that unless you went to university, unless you had a degree, you probably were not going to achieve anything in life. I felt that I would have my own business one day, but I was under no illusion that I had to gain experience at some other person's expense.'*

(E19 – Leisure industry)

*'I decided at an early age that the only way to make your fortune and way in this world, is to become self-employed. So my brother and I decided to open a small shop, a DIY shop.'*

(E24 – Do-it-yourself supplies)

*'I had reached a stage in my life where I wanted to do something different. I want to create something on my own, not answerable to anyone but myself. The only problem was that I had not a clue as to what I wanted to do, nor had I any cash to do it with.'*

(E32 – Creative products)

*'I decided that I wanted to be in business on my own account. I had a vision of where I wanted to be. I wanted to write my own programs. I was fortunate in meeting someone who believed in what I wanted to do. He encouraged me to bite the bullet and go for it.'*

(E33 – Consultants)

**Challenge** becomes the main driving force. Entrepreneurs seemly have always had challenges of one sort or another. Success in meeting them increases the confidence and their self-belief of conquering others.

*'It is part of the challenge, and part of the fun, I suppose, in doing it. The other side of the development of the companies is part creative and part grind. Creativity comes in a combination of your experience of what's worked well in other markets*

*and your gut feeling about how a company should be structured and what it should produce in order to satisfy the market it's going for and the customers it's going to.'*

(E4 – Engineering)

*'I wouldn't say it was a major responsibility but it was a big career move, it was a quantum leap as they say. To move from job security with a large company, earning a lot of money, to starting off your own business from scratch, the ubiquitous one man and a dog, is a big decision, a huge challenge.'*

(E6 – Financial services)

*'I think it was the objective. I think it was egotistical. I think it was just because it was there. I mean, what drove Hillary to go on to Everest? It was exactly the same but nobody had done it in video either. You see it as a challenge and then it becomes a personal reflection on what you can-do. I was also obstinate and pig-headed enough and confident enough to know I could do it.'*

(E18 – Leisure industry)

*'When you are about to make a multi-million pound sealed bid and you have no money it can be quite a challenge.'*

(E20 – Property development)

The entrepreneurs **learned from failures** and setbacks. It is a hard way to learn, but the experience is never forgotten.

*'I had taken my eye off the ball in the garages. I was not taking stock correctly. People were stealing. My own staff was stealing cigarettes and so on. So I soon got to the top of that – but it taught me a lesson I have never forgotten.'*

(E18 – Leisure)

*'Having the ability to bounce back after setbacks is extremely important. Ideally you should bounce back higher than you were before. Look upon failures and setback as learning experiences, you should try however difficult it is, to look at these experiences in a positive fashion.'*

(E20 – Property development)

*I heard that the largest outside caterer was in financial difficulties and tried to buy them, the price was too expensive, so I just waited and waited. They were put into receivership and I then negotiated with the receiver, but again they were being too greedy, so eventually I withdrew from the discussions. Then proceeded to capture most of their existing customers without having to pay anything – another lesson learned.'*

(E30 – Catering)

*'I think we make our own energy and luck and, OK, we make mistakes but if we learn from them. They're not mistakes, they're just another part of the learning curve.'*

(E43 – Counselling )

Many entrepreneurs had **part-time jobs** to earn money while at school. This did not qualify everyone to become an entrepreneur, but it proved that if you needed or wanted something, it was in one's own hands to do something about it.

*'Business people used to come to our house and I used to ask them what they did and during the school holidays I always used to work to make money. I used to save a lot and if my parents wouldn't buy me a new bike, I thought I'll bloody well go out and get one. Whereas other kids wouldn't work, I always worked whether it was*



*doing the post at Christmas, or working in my father's business or working on a farm or I always worked.'*

(E12 – Property)

*'I started my business life very early. I used to collect and sell golf balls. We used to comb the golf course looking for them. Our back garden was adjoining the 5th so the balls came into our garden quite regularly.'*

(E13 – Manufacturing)

*'When I was at the university I used to do up cars and sell them to make money, I then dabbled in the property market.'*

(E16 – Engineering)

*'I enjoyed selling, I'd been taught how to go round antique shops and spot bargains. That supplemented my pocket money, so I was allowed to have a little corner of the shop window where I could buy things and then sell them for a small profit which would then increase my pocket money.'*

(E17 – Retail services)

*'I set up a calf-rearing unit on my parents' farm and I was selling dung manure from the farm round all the local towns and villages on Saturday and Sunday. By the time I had left school I had made enough money to buy my first car.'*

(E27 – Garden centres)

*'Because I was earning my own living, on my own, looking after myself, I used to go to auctions and buy old bicycles and put a few together to make one and so it went on. Your goal was to earn enough to buy that scooter, then it was a motor bike and on it went.'*

(E29 – Repair services)

Entrepreneurs concentrate on their **core strengths**. This is easier said than done. One is always tempted by what is over the other side of the stream.

*'Our business has expanded over the years but we have been careful to keep to our 'core strengths' and expand organically.'*

(E9 – Agriculture)

*'The best way to start a business is just on a little capital and then see how it goes. You can make mistakes. So many people go wrong because having been successful in what is their chosen field, they then diversify, invest a lot of money and it goes horribly wrong because they have not any experience in that particular market. It is not part of their core strengths.'*

(E12 – Property)

*'I found myself getting involved in the very high levels of business which just wasn't my interest at all. My interest and core strength was technology and then gradually the entrepreneurial system in my blood urged me to get into business by myself and so I promptly resigned and set up my own.'*

(E50 – Insect repellent)

Most entrepreneurs did not enjoy or had a long **formal education**. It was interesting to note that many of the 'early' school leavers went back to education later in life, mainly as a result of their own choice rather than something that was forced on them.

*'I was a plodder at schoolwork. I got there, but I wasn't the brightest of kids. I was an achiever, but in my own way, because I was not particularly bright. I knew I wasn't going to be a doctor or an architect or a lawyer, I knew that.'*

(E12 – Financial services)

*'I remember when I went in to the secondary school, it was a complete culture shock for me. I was going into a large school with thousands of people in it and I didn't do well in my first year there. I repeated my first year because I didn't settle down at all. It was all strange to me and then I couldn't get out of school quick enough, so I left school at 16 with 3 O levels.'*

(E16 – Engineering)

*'I wasn't a great academic at school, I didn't particularly enjoy school. I felt a bit rebellious and left school at 16 and was glad to see the back of the place.'*

(E19 – Communications)

*'I didn't do well at school. I failed, left school when I was 15. Whilst I failed my 11 plus I was an avid reader.'*

(E24 – Do-it-yourself supplies)

*'The headmaster at my school compared me with a couple of my cousins who were at the same school, one who became a heart specialist and the other a professor. He said they out-rated me by quite a factor. He described me as the laziest genius he had ever come across and that's not fair either, because the truth of the matter is that when I was at secondary school I had already embarked on a sort of entrepreneurial career and I wanted to make money. I didn't give a shit about education.'*

(E27 – Garden centres)

*'When I was 14, my single-parent mother was asked to take me away from school as I was just a dreamer. From that moment on, all my motivation was revenge-driven. Unfortunately when I finally obtained my professional qualification, the hard way, the headmaster had died in the meantime, so I was denied the pleasure of ramming it down his throat.'*

(E32 – Creative products)

*'I never really fitted in at school. I was never doing what I was meant to be doing. On one parent/teacher evening, you get this bell that is rung and parents move from desk to desk and anyway my father arrived at the mathematics desk and basically the teacher said 'well your daughter's not a mathematician'. And my father got up and said 'well she was before she came here' and I was taken out of the school the next day.'*

(E35 – Communications)

**Success** breeds success. So everyone seems to say, though it is true that if one is successful other doors appear to open allowing further opportunities to be exploited.

*'It's like the saying nothing succeeds like success. But then you get driven back to the philosophy of doing a few things better, you know maybe one or two things, or one thing really well and you will find the opportunities are there to do other things. But if you try to take on ten things and do them all it usually presents a lot of problems.'*

(E19 – Communications)

*'I threw myself into developing the business and obviously went through a difficult phase. Although I wouldn't say I was a business person then, compared to what I am now, and I am not sure where the focus came from. I think a few successes, getting a few contracts, and its like a rolling stone, you start gathering success. I also think that I have a positive mental attitude and I tend to be more upbeat. I am also an optimist: I see very clearly where we're going now and I have complete and utter belief that we are going to get there.'*

(E30 – Catering)

**Windows of opportunity** seem to open up for entrepreneurs. Everyone loves a winner, the trouble is that one can get carried away with one's own success. It is important to keep one's feet on the ground.

*'I have a feeling for where I might want to go with some possibilities. I'm wide open to picking up opportunities and they're endless as they always are. I'm now pretty clear about how I'm going to manage which I wasn't before. It's like doors opening along the corridor – endless doors – you've got to go down the corridor and you've got to stop and go in some of the doors. I'm now clear about the doors I'm going in, and one day I will be in there.'*

(E33 – Consultants)

*'I think there's a degree of addiction with some entrepreneurs that they have this tremendous need to take every opportunity and this is where they run into family problems, because they become completely obsessed with the thing and they can't stop their voracious appetite to take opportunities. I wouldn't describe myself as that. I think that as these windows of opportunity open, I'm valuing these opportunities. If there's an unbelievable opportunity let's take it, but I also at the same time am weighing up opportunities very carefully and also balancing them against the other issues that make you well adjusted.'*

(E40 – Transport)

The key to some entrepreneur's success is building personal contacts and **networks**. Networking is the 'in' business expression these days. However, it is only a label put on a system that has always been there.

*'The common goal of forming a bridge or forging a bridge between the technologists and marketers has brought us into contact with a whole host of different people. This has proved to be of great value in the networking process.'*

(E21 – Outsourcing)

*'As one moves into more specialised areas of a niche market, you watch people and you talk to people. People feel if you'll listen to them, they'll tell you what they're doing and what parts are doing well. You don't think of it as networking, you just used to call it chatting to people.'*

(E24 – Do-it-yourself supplies)

*'I joined the businesswoman's club and that has helped me to blossom a lot because I began to learn that I had been living in an isolated environment with only staff. I had no colleagues and the staff I had were shop assistants and they liked to believe me, they were not intellectually stimulating. So I found that being part of the businesswoman's club gave me sort of surrogate colleagues, so to speak. Always being a doer I had to get on the committee and organise things. I was able to benchmark other people's professionalism.'*

(E30 – Catering)

*'At that stage I didn't know what I was going to do, I didn't know whether I was going back into a corporate situation or whether I was going to another start-up situation and so on. As I looked at things I realised that what I enjoyed most was actually the start-up. I used my network of contacts, got involved in committees etc. until I came across the right product and the right opportunity.'*

(E35 – Communications)

Entrepreneurs have the **need to prove** something to others as well as themselves. Within everyone there is a need to prove something. Often it originates at the formative time of one's life.

*'I used to have this complex. My father was a bit of an alcoholic and used to embarrass me a lot especially living in a small community. I found it very difficult overcoming that. You had to be very humble, and you always think people are talking about you and looking down on you. When I was doing my apprenticeship people would drive past when I was at a bus stop and would not give me a lift because I was in my overalls. It made me determined to prove to them that I was worth something.'*

*'I got my car and then decided to study for two years then go to university. I found the university a very good atmosphere to be working in, because it is a levelling experience, everybody is the same; there are no hierarchies. When lots of people in the university in the course I was on went out to the beer bar at night, I would go to the library to study because I considered that I was not as smart as they were.'*

*'After obtaining my Bachelors degree I went to night school again on a 3 year course to get my Master's degree in accounting - I felt quite smug, I could take on the world, I thought. What it did get me was the ability to sit down with anyone and I didn't feel academically inferior.'*

(E16 – Engineering)

*'When I started this business I had a few things I had to achieve. First of all I needed to prove to myself that I could do it. Secondly, I had to demonstrate to my ex-company that I could build a successful business. Thirdly I had to prove to my family that I could do it.'*

*'My parents always classed me as a rebellious child and that I could never concentrate enough and long enough to get my O levels. I always said I was going to*

*pass them but they never believed me. It was the same when I went to university – I think one of my motivations was to prove to them that I could do it.'*

(E17 – Retail services)

*'I hope I haven't got some sort of 'chip on my shoulder' which says I've got to succeed. What I would comment is that I felt my parents were making a not-insignificant sacrifice in putting me through private education and I wanted to prove to them that it was not.'*

(E21 – Outsourcing)

*'It was an achievement. I did it all myself. By this time I was starting to learn what it was like to build up something of your own. My ambition was always to be invited to the garden parties in my own right because I had built up my own. Yes, and I found that using your brain again is very exciting. My motivating spur has not been money. I had married someone who was making enough money. My spur has been to prove that I could do it.'*

(E22 – Tourism)

*'I was asked what I wanted to achieve and I said well you know what I'd really like to achieve, I'd like to walk down what is called 'the Steps' and I'd like to be recognised. I do have an ego, we've all got egos and if somebody says to me 'well I don't have an ego' then I'd have to say 'well poor you' because then you've got nothing that keeps you going, nothing that you'll respond to. Egos will respond to praise and that's good for our ego, we respond to people criticising us and I'll tell you that is bad for our ego and then it goes up and down.'*

(E29 – Repair services)

*'I then received the results of my exams – I was devastated. Initially I just wanted to run away from everything. My friends all went to university, I eventually*



*went to the college of further education. When I recovered I was determined to prove that I was worth something.'*

(E30 – Catering)

*'There was a strong motivation to prove to myself that I could actually create a business from scratch almost with my own bare hands as well of course as making a fortune in the process.'*

(E32 – Creative products)

From the analysis of the data from the entrepreneurs' personal histories, it was possible to identify a number of generic themes that reflected some of the entrepreneurs' core strengths and how they viewed various aspects of their personal and business lives. These themes, detailed in Table 4.12 supported many of the observations from the research literature

**Table 4.12 Generic themes associated with the entrepreneurs' beliefs.**

- Consider having the best people one of the most essential elements in business.
- Creative abilities seemed to have been manifested in earlier life.
- Impressive was their total self-belief and self-efficacy in what they do.
- Appeared to have above average energy and mental processing abilities.
- Appeared to be restless individuals, always having to be 'on the go' and doing something.
- Do not dwell on their failures or setbacks, as they are too busy looking forward.
- Have learned from their mistakes and failures and consider it a valuable experience.
- Some demonstrated a remarkable 'recovery' process from having abject failures.
- Only regrets expressed concerned family relationships and their social conscience.
- Most had a need to 'prove' themselves, some also had 'chips on their shoulder'.
- All wanted to control their own destiny and have their own business.
- They recognised the importance of having exit routes and, if possible, 'hedging their bets'.
- Believed that following their success, other windows of opportunity opened up for them.
- Hold great store of their sense of values and principles, applied these in their enterprises.
- Expressed the importance of having a reliable business and personal network.

#### 4.5 Summary

Many of the entrepreneurs appeared to share common beliefs, attitudes, values and principles. They also shared many mental modelling techniques, such as visualisation, goal-setting and rehearsal. Their upbringing and early work experiences had many similarities. Their attitudes to certain work ethics and detail work requirements had much in common. The effect their dedication to work had on their social and private lives followed many similar paths. It was the fact that they possessed so many (not just one or two) of these attributes and beliefs, that set them apart from other people, and contributed to their behaviour in their particular entrepreneurial sector.

The next chapter entitled 'discussion' evaluated and interpreted the relevant research literature and the research findings. It started with an overview of the research study, which analysed the gaps in the literature and commented on the originality of the research approach, followed by a section on the reasoning behind the structure and content of the study.

This was followed by an evaluation of the research findings and the generic themes' that described the commencement of the process of creativity, followed by the important triggering event.

The 'discovery' and 'inner processes' sections evaluated the findings which related to this aspect of the process and were then compared with relevant research theories. A section entitled 'ideas' evaluated the findings of the clusters of variables that concerned the origin, adoption, rejection and incubation of entrepreneurial ideas. The final section, entitled 'entrepreneurs' beliefs', evaluated and interpreted the

generic themes that arose from the entrepreneurs' personal histories, and compared the findings with the appropriate research theories from the literature.

The chapter concluded with some observations on how the findings could be used to enhance the mental modelling capability of other nascent entrepreneurs.

## **Chapter 5**

### **Discussion**

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### **Discussion**

#### **5.1 Introduction**

This chapter evaluates and interprets the relevant research literature and the research findings. It starts with an overview of the research study, which analyses the gaps in the literature and comments on the originality of the research approach. The aim, objectives and research questions are then restated followed by a section entitled ‘modus operandi,’ which sets out the reasoning behind the structure and content of the study.

A section entitled ‘evaluation of the research findings and the generic themes’ follows this, which evaluates the commencement of the process of creativity, and the important triggering event, which brings the process to life. Some of the more important core attributes are then discussed

A section entitled ‘discovery’ evaluates the findings relating to this aspect of the process and gives constructive comments on what can be learned from the observations. Where appropriate, the findings are then compared with relevant literature. The next section, entitled ‘inner processes’ evaluates the relevant research findings concerned with the mental modelling processes that are involved and compares these findings with the appropriate theories from the research literature. Following this a section entitled ‘ideas’ evaluates the findings arising from the clusters of variables concerned with the origin, adoption, rejection and incubation of entrepreneurial ideas. The final section, entitled ‘entrepreneurs’ beliefs, evaluates and interprets the generic themes arising from the entrepreneurs’ personal histories, then compares the findings with the appropriate research theories from the literature.

The chapter concludes with comments on what could be learned from the findings that could be used to enhance the mental modelling capability of other nascent entrepreneurs.

## **5.2 Overview of the research study**

The originality of this research study is its empirical attempt to understand how the entrepreneur's creative process begins and evolves. This is achieved through the analysis of a rich source of real live unabridged data from the entrepreneurs' personal histories. The carrying out of a total of 80 interviews with entrepreneurs, listening and recording their personal life stories can be considered a significant empirical study. The production of a new synthesis of the research literature that is empirically supported, that shows a framework of main elements involved in the creative process, and a logical progression of events of what is not necessarily a linear process, can be termed an original piece of work. Bygraves et al (1989) had produced a framework as regards entrepreneurship, but nobody as far as I am aware, has attempted to produce a framework of the pre-entrepreneurship stage covering the creative processes.

The research strategy adopted could be termed 'as approaching the research objectives from the inside out rather than from the outside in,' as the data is obtained from the entrepreneurs' own verbal account of their personal histories. I have endeavoured to provide a new insight into and understanding of what might go through the minds of nascent entrepreneurs as regards the discovery of their ideas and opportunities, based on what they themselves recalled.

The research study commences with a comprehensive review of the relevant research literature from which, despite the recent growth in the field of

entrepreneurship research, there appeared to be areas where further research was needed.

Firstly, research attention was required to be directed towards the entrepreneur's creative process in order to determine how does the process begins and evolves. This was undertaken in order that those issues facing and actions being undertaken particularly by 'nascent entrepreneurs' might be understood.

Secondly, it appears that a disproportionate number of relevant normative research studies has been carried out compared to more practical and perhaps more meaningful empirical studies. Even certain of the empirical research studies that has been carried out appears to have taken what could be termed the convenient option, by sending out questionnaires for subsequent analysis. Whilst this method has many benefits especially when carrying out large-scale surveys, it loses the personal touch so important when cognitive processes are being researched (Kaish and Gilad 1991).

Thirdly, from the research literature many normative and empirical studies appear to have selected certain elements of the entrepreneur's creative processes to research without taking the holistic aspect of the process into consideration (Teece 1987; Gartner and Starr 1992; Bygrave 1989; Gnyawali and Fogel 1994). If one is researching a process it is unlikely that this can be successfully accomplished by using a snap-shot approach, such as a single interview or using a single application of a questionnaire in order to obtain the research data. This becomes even more important when one is researching a cognitively-based process, where the information sought has been internally generated over time, sometimes unconsciously as well as consciously.

One might well ask why there are these gaps in the research literature. Perhaps it is an appreciation of the complexity and difficulty of researching the entrepreneur's

creative processes due to the fact that the process is basically a mental one. Also, it may be because of the recognition and belief that every entrepreneur has different ways of mentally approaching a problem or situation. Another reason for the apparent shortcomings is that perhaps there has been a concentration of effort in examining the individual 'parts' of the process in isolation from considering the 'whole'. One might be on sounder ground for understanding the creative processes involved in pre-entrepreneurship if one considers Checkland and Scholes, (1990) soft system methodology in action, in particular 'human activity systems' where the individual parts of a system assume a different identity and purpose when they become part of a 'whole.'

The key points being made are: there appears to be a shortage of research studies into the nascent entrepreneur's creative processes, describing how they begin and evolve over time; there are few studies that attempt to describe how entrepreneurs discover their ideas, harness them, and convert them into opportunities. Most of the empirical research studies on the subject have focused upon managers and founders of companies, but few have concentrated on entrepreneurs, and even less on nascent entrepreneurs.

There appeared to be a need to bring together the 'fragmented' findings of the relevant research literature in order to determine whether, when taken together, the fragments of the elements could be put together to make a picture of the nascent entrepreneur's creative process in order that the holistic aspect of the process could be understood.

With the growing awareness of the importance of the enterprise culture, it is important that one has an appreciation and understanding of how the entrepreneur's creative 'system' really works in practice. Of particular importance is the area that



could be termed the ‘epicentre’ of the process, namely the discovery and the subsequent evolution of the entrepreneurial idea.

Following these observations, this rather ambitious research study was undertaken with the following aim and objectives.

### **5.3 The research study’s aim and objectives:**

#### **5.3.1 Aim of the research**

- To increase the understanding of how the entrepreneur’s process of creation begins and evolves by determining how ideas and opportunities are discovered, recognised and harnessed prior to the advent of entrepreneurship.

#### **5.3.2 Objectives of the research**

- To increase the understanding of how the nascent entrepreneur’s process of creation begins and evolves.
- To determine how ideas and opportunities are discovered, recognised and harnessed prior to the advent of entrepreneurship.
- To identify the key cognitive processes and personal attributes that are involved in the process.
- To create a framework to describe how these elements are interrelated.
- To describe the processes involved in entrepreneurs’ discovery and evolution of their ideas.
- To compare the content and elements of the framework against the context of a panel of entrepreneurs’ personal histories.
- To monitor selectively any changes to the processes involved after a period of a year.

In addition, from an evaluation of the research literature, and with particular reference to the research objectives, a number of specific research questions relating to the nascent entrepreneur required to be answered. These concerned the existence and use of having a prepared mind, as to whether serendipity actually happens, the

reliance placed on intuition and gut-feeling, the confidence and attitude created by having self-belief, the acceptance of the need and importance of having quality thinking space, the impact of having personal values and standards, and whether the techniques of visualisation and goal-setting were practised. All these aspects were examined in conjunction with the data arising from the entrepreneur's own personal histories in order to determine the extent of their existence and whether any constituted generic themes.

### **5.3.3 Research questions**

RQ 1 Does having a prepared mind constitute an important factor in the discovery of ideas?

RQ 2 Do ideas ever occur by chance, if so how many and in what context?

RQ 3 Does intuition and gut feeling play an important part in the entrepreneurs' decision taking?

RQ 4 Does it appear that having self-belief and self-efficacy forms an important basis of having the confidence and ability to make decisions?

RQ 5 Do sense of values and principles formed in early life help to establish standards of business behaviour?

RQ 6 Does having special thinking places and quality thinking time help to develop the ability to harness and crystallise ideas into opportunities?

RQ 7 Do many of the entrepreneurs use visualisation and rehearsal techniques in order to achieve their objectives?

RQ 8 Does the use of goal-setting techniques help to achieve business objectives?

## 5.4 Modus operandi

In order to set the context for discussing the focal theory of the research it was first of all necessary to review the research literature appertaining to the history of the entrepreneur, then to explore the traits, behaviours, backgrounds and experiences of nascent entrepreneurs leading to the advent of entrepreneurship. A critical analysis of the background theory is not attempted, as it is not considered relevant to the research objectives.

The period in the life path of the entrepreneurs when they could be termed nascent entrepreneurs enabled a valuable opportunity to have insight into their background that led to the discovery of the idea or opportunity and gave existence to their first entrepreneurial event. It is appreciated that once they had become entrepreneurs, they were in a position to discover other ideas and opportunities however, there is an important distinction to be made as these ideas were formulated from what could be termed a more mature base. That is, with the knowledge, confidence and outlook that arises from experience.

The main purpose of the focal theory of the research is to increase the understanding of what is generally understood by creativity and cognitive processes, before addressing the main objectives of the research. Both have important implications and influence in the understanding of the overall creative process. This approach has taken the research down many paths and routes, a number of which appear to have been uncharted empirically in relation to the context of the entrepreneur's creative processes.

Central to the entrepreneur's role seems to be the constant desire to create something: a new organisation, new insights into the market, new corporate values,

new manufacturing processes, new products or services and new ways of managing. Understanding how the entrepreneur's creative process began and evolved is therefore important for entrepreneurial theory and practical success.

A number of clarifications appeared to be necessary: the differentiations between creativity and entrepreneurship and between invention, creativity and innovation. Creativity implies a vision of what is possible. The entrepreneur translates that creative vision into action, into the human vision, which guides the work of a group of people. If the term 'innovation' suggests the implementation process by which creative inspiration leads to practical results, then entrepreneurship is the human and organisational process by which innovation takes place.

The concepts of invention, creativity and innovation are closely related. Invention is the origination of a new concept or idea as the result of a process of creativity. Imagination plays an important part in this process. Innovation is the development or adoption of new concepts or ideas. Creativity is having the idea and innovation is its application. Creativity is not itself enterprising because it does not generate change. That does not happen until the innovator takes the idea and does something with it.

Like most other attributes, creative ability seems to be distributed in varying 'strengths'. Perhaps the capacity for creative action is not so much a 'personality trait' as a 'state of mind' which can be learnt. Some people have a facility for it and others do not. But, as with other skills, one can improve with training and practice.

It is interesting that to note that Fernald (1988), in his narratives of creative entrepreneurs concludes that they are characterised by a thought process different from others. His observations are supported by this research study. His definition of being creative seems to be to make 'serendipitous and surprising associations' again a

key finding of this research. A creative person must therefore be endowed with an ability to think laterally and also have the ability to achieve a rapid rate of cognitive closure.

The key actors in the beginning of this research study are the 'nascent entrepreneurs' and subsequently the 'entrepreneurs'. They can also be termed the 'change agents', the persons who initiate and implement the process. It is recognised that entrepreneurs are not homogeneous and that there are many different types of entrepreneurs as there are between entrepreneurs and non-entrepreneurs. However, notwithstanding this, there are sectors of entrepreneurs who appeared to be largely homogenous. One such sector of entrepreneurs has been identified and defined in this research. These are 'independent persons who either have had or recognised an original idea or opportunity for a product or service, assumed control and the risk responsibility, acquired the necessary resources required to develop an organisation in order to exploit the opportunity and convert it into a successful profitable enterprise.'

One might well ask what makes them different from non-entrepreneurs? How different are they from other entrepreneurs? Are they born with their creative abilities or are these cultivated and fashioned by their life path experiences? By analysing the rich data one begins to obtain clues to the answers to these additional questions. These aspects are discussed later in this chapter.

Having established the basis of the research study from the literature, eighty in-depth interviews were carried out with a total of fifty entrepreneurs in order to substantiate empirically what actually happens in real life situations from the entrepreneur's own account of their personal histories. The number of entrepreneurs interviewed resulted from the responses received from the seventy-five letters that were initially sent out. After carrying out twenty interviews it was apparent that

additional generic themes were not being obtained. However the opportunity to build up a rich data bank of entrepreneurial backgrounds, experiences and case histories, and have the ability to analyse the data from various viewpoints in the future, was considered too important not to take advantage of.

Piecing together the fragmented elements involved in the creative process arising from the initial interviews produced an initial list of key variables. These were then used as the basis of analysing the subsequent personal histories in order to construct a framework of the creative process. A year later follow-up meetings took place with a number of the entrepreneurs to note any changes in their apparent creative processes, the results of any further creative activity by them, and importantly, to share with them the initial findings of the research.

The commonality amongst the entrepreneurs of the key elements of the findings gives confidence that the research approach was the correct one. The results add to the understanding of how a particular sector of entrepreneurs engage in the identification of ideas and the subsequent evolution of these ideas into opportunities. The approach taken and the resultant research findings have given considerable substance to the belief that the entrepreneur's process of creation is indeed a holistic one. It embraces all the elements which have occurred during the entrepreneur's life cycle, coming together in a vibrant human activity system involved in finding, and refining, a creative idea, innovating and adapting it to a market opportunity.

One of the challenges of this research is metaphorically to try and get inside the mind of the entrepreneur in order to determine what has gone on, is going on, and what might be going on in the future. In order to obtain this insight it is necessary, if not essential, for the researcher to get on to an 'inside track' with the entrepreneur. Before attempting to do this, it was considered important to gain an understanding of

what one means by the term ‘cognitive processing’ and the main elements of the process.

## **5.5 Evaluation of the research findings and the generic themes**

In order to provide the understanding of how the entrepreneur’s process of creation begins and evolves it was considered that this could be best illustrated by providing a framework of the holistic process that is involved. It was necessary to include the main elements involved in the process indicating the stages where they might play their part. It must be remembered that it is not necessarily a linear process. Some of the stages are ‘short circuited’ others are repeated or elaborated. Figure 2.14 on page 109 illustrates this framework including the elements involved in the creative process and in so doing provides a new synthesis of the research literature that is supported empirically from the research findings.

### **5.5.1 In the beginning**

The biographical background and in particular the early personal life history, of the nascent entrepreneur provides evidence of the structure, composition, values, character and basic attitudes, that establishes their ‘core’ attributes. It is unlikely and there is little evidence to show, that in the future course of their life path these core attributes had fundamentally changed. Family relationships, childhood experiences, failures, frustrations, successes and achievements all seemed to have made a contribution to the entrepreneurs’ sense of values, self esteem, and self awareness. This, in turn, helped to establish their self-efficacy, beliefs and confidence. These attributes appear to have been consolidated still further as a result of their experiences in educational and work environments. The acceptance and fulfilment of everyday challenges, the ability to learn from failures, the ability to bounce back from setbacks,

all became building blocks for the future, in particular in relation to the entrepreneurs' propensity for creative fulfilment.

From a very early age, the nascent entrepreneurs seemed to have set targets for themselves, usually over a short time scale. They also set longer-term goals and sub-goals, some with the encouragement of their family and friends. This has helped them to give direction and a purpose to their life. Success in goal achievement has given them confidence to tackle even more ambitious goals. The overcoming of setbacks and other trials in life has certainly helped in the development of the entrepreneurs' characters, their ability to persevere, a resilience to bounce back, particularly when the going became tough.

Needs also provided significant motivation: the need to be independent, to make a contribution to the family budget, to pay for their own clothes and to be self-sufficient. These needs drove a lot of the nascent entrepreneurs to have part-time jobs, and other money-raising functions. Many did this while still at school, and for many, this became their first experience of the commercial world. For others it was the start of their entrepreneurial tendencies and created in them the first taste for business adventure.

Many nascent entrepreneurs in their early adolescence appeared to have fantasised about having their own business one day. Most did not know what kind of business they could be interested in, or if they did, it would certainly have changed with the passage of time. At the time they were also not able to forecast when it would happen – just that they were convinced that it would happen one day. They had realised that there were still many lessons to be learned in life, before embarking on the additional trials and tribulations of business life on their own account. Perhaps the adage of 'cutting one's teeth' at someone else's expense was also relevant in many



cases. In the past it was considered that the best and safest career was to learn a trade, or go into the professions, have a steady job, and then the course would be set for them for the rest of their adult working life, with the added benefit of a pension at the end of it. The world has now changed and nothing can now be taken for granted. One has now to be mobile, flexible, and adaptable. It is in this sort of social and economic environment that the nascent entrepreneur has to earn his or her spurs before embarking on his or her entrepreneurial event.

### **5.5.2 Triggering event**

It could be assumed that the opportunity to become involved in starting an entrepreneurial-based enterprise evolves incrementally from one stage of the nascent entrepreneur's career life cycle to the next. The research findings have indicated that the avenue to an entrepreneurial enterprise may be precipitated by a non-incremental event. These less predictable events were normally beyond the control or influence of the entrepreneurs, but nonetheless a window was created that allowed them to become involved in an entrepreneurial enterprise. Such unpredictable events as involuntary termination of employment, death in the family, inheritance or divorce, can create career vacuums that can instigate an awareness of the need to look for an entrepreneurial opportunity albeit unconsciously in the first instance. Many of the nascent entrepreneurs used the critical event as the trigger to go and do what they always wanted, cultivating a new mind-set in the process.

After the establishment of their first successful enterprise, the entrepreneurs appeared to have developed sensitivity to the possibility of opening other windows of opportunity and were prepared to react positively when these targets of opportunity presented themselves.

The triggering event having set the wheels in motion, there came a stage in the nascent entrepreneur's mind when he or she started to focus consciously on the concept of having their own business, being independent, controlling their own destiny in real terms. They still did not know where or how or what, but they had formed within themselves the stated intention for doing so. This commitment started to give their 'prepared mind' a sense of direction that was supported and influenced by the nascent entrepreneur's years of experience and knowledge stored unconsciously in their long-term memory.

Another influence that had a bearing in the decision to control their own destiny was the 'gap' between the entrepreneur's personal standards of comparison of what he or she wanted or felt entitled to and their actual experiences. Any discrepancy provided the motivation and energy required in order to close the 'gap'. Michalos's (1986) discrepancy theory concerning satisfaction was well supported by the research findings.

Dissonance theory (Stanworth and Curran, 1973; Scase and Goffee, 1980 ; Micholos, 1986) seemed to explain the formative stages of the entrepreneurs' personal histories, and later, in particular the triggering stage of the process of creation. The entrepreneurs' comments related to dissatisfaction with the circumstances of working for someone else. The underlying desire to be in control of their own destiny and the need to prove themselves, were indicative of the support for this theory.

From the findings there were also examples where the nascent entrepreneurs' value systems had an influence in the decision to start their own enterprises, with the result that the type and formation of the enterprises they created reflected the entrepreneurs' personal values and principles. These findings supported the research by Kets de Vries and Miller (1986).

Displacement theory (Katz, 1992; Shapero, 1984) can also account for the ‘triggering event’ or the ‘entrepreneurial event’ in the process of creation. Displacement precipitates a change in behaviour and seeking to make the best opportunity from a set of alternatives. Significant life events, such as job loss, precipitate increases in entrepreneurial activity. In a number of cases, the potential to be entrepreneurs had been there, and it only required some sort of displacement for that potential to surface. The interview data has many examples of this, and some of them are included in the extracts, particularly the desire to have one’s own business.

### **5.5.3 Core attributes**

It is worth discussing further some of the entrepreneurs’ core attributes that have already been mentioned which form the backbone and foundation of their ‘being’. These are fundamental not only to the entrepreneurs’ ability to create, but also their ability to recognise an idea and have confidence in their ability to transform the idea into an opportunity.

From the findings it was clear that within all the phases of the creative process there were indications of the influence of the entrepreneurs’ core attributes on the creative actions taken and decisions that were made. Despite the volatile nature of the process, there certainly appeared to be a steadying and guiding influence directly due to these attributes. This appeared to keep the process in check and thus helped to ensure a productive outcome.

There was also firm evidence that the creative process started much earlier than the entrepreneurial event. In fact some of the core attributes that are involved appeared to be generically inherited: such as the entrepreneurs’ above average energy level. This energy level was added to by energy derived from creative tension; kinetic energy and the energy produced by high levels of adrenaline flow produced by

responding to challenges and overcoming difficulties. A strong degree of restlessness and alertness coupled with a high activity level appeared to have been evident at a very early age. Other attributes were certainly fashioned and cultivated during the entrepreneurs' life path experiences.

Katz (1992) observed that it is from one's contexts that one learns beliefs, attributes and assumptions about the world and oneself. This happens from one's earliest days to adulthood and rarely changes.

#### **5.5.3.1 Self-belief**

One of the most prominent attributes the entrepreneurs had was their total self-belief and self-efficacy of knowing what they wanted, what they were capable of achieving and how they intended to accomplish their objectives. These had usually been backed up by a lifetime of relevant experience, usually gained the hard way filled with life's ups and downs.

The comments arising from internal process cluster of variables allowed the research to penetrate the entrepreneur's inner sanctum. High in the list of the entrepreneurs' comments were their total self-belief and self-efficacy in what they were doing and their abilities to do it. This powerful attribute came through all of the entrepreneurs' personal histories and was specifically expressed by many. Their histories gave a strong clue as to how they acquired their tremendous self-belief. This appeared to be based on many years of successful venturing and also having the ability to bounce back from the abyss of failures and setbacks.

#### **5.5.3.2. Self-efficacy**

Derived from the social learning theory (Bandura, 1977b; Gist, 1987; Herron and Sapienza, 1992) is self-efficacy, which refers to a person's belief in his or her capability to perform a given task and whether or not certain goals may be attained.

Self-efficacy was acquired gradually through the development of complex cognitive, social, linguistic, and physical skills that are obtained through experience. Self – efficacy featured high in the impressions given in the entrepreneurs’ personal histories and is certainly, along with self-belief, one of the most important attributes of the successful entrepreneur.

Wood and Bandura’s (1989), Gist’s (1987), and Lent and Hackett’s (1987) theories on self-efficacy were supported by the findings from the entrepreneurs’ personal histories. Successful accomplishment of goals and objectives in the entrepreneurs’ life paths established in them the confidence and assurance to tackle more ambitious projects.

#### **5.5.3.3. Values and principles**

The entrepreneurs’ values and principles, introduced, fashioned, encouraged and cultivated, by the entrepreneurs’ social context, had become the ‘base rock’ of what they themselves considered important in life, thereby setting the standards, which not only they abided by, but expected others to do so as well. The importance and influence of the entrepreneurs’ sense of values and beliefs in the formation and growth of his or her enterprise as suggested by Davidson (1994), Fagenson (1993), Kets deVries and Miller (1986), Schein (1983) was well supported and considered an important finding of the research.

The culture of the enterprise’s organisation seemed to mirror the entrepreneur’s values. What the literature omits to comment on, is that the entrepreneur’s values constitute one of the entrepreneur’s core attributes, formed and fashioned early in their life, and as such, was unlikely to change later in life.

When the enterprise was in its formative stage and still small, the influence of the entrepreneur’s values was at its most potent. When the enterprise expanded and

broadened its organisational structure, the effect of the value system became somewhat diluted. The entrepreneur's sense of values had also an important influence on how he or she responded to the stimuli received during the discovery process; it acted as a filtering mechanism. Only the ideas that corresponded to his or her values and principles, and that he or she felt comfortable with, appeared to be programmed for further consideration.

## **5.6 Discovery**

### **5.6.1 Prepared mind**

The entrepreneurs made many references to the importance of what was in their mind, the need to focus their mind, and their ability to set their mind on to solving a problem or situation. They seemed pretty comfortable with what appeared to be the close relationship between their minds' thought processes and actions taken through the benefit of past experience. They also appreciated that much of the preparation takes place unconsciously.

In the research literature, the need to have what is called a 'prepared mind' or the establishment of the right 'mindset' does not appear to feature as such, however some of its 'essential ingredients', such as alertness, positive attitude, experience, being focused, and commitment do. By implication, and by bringing together these ingredients, the important state of mind was supported by the entrepreneurs' personal histories.

The remark attributed to Louis Pasteur as cited by Beveridge (1957), Austin (1978), Mansfield and Busse (1981) that 'chance favours the prepared mind' is supported by the finding.

Kirzner (1973, 1979); Kaish and Gilad (1991) theories on the importance of the entrepreneurs' alertness in the discovery of ideas and opportunities were certainly indicated in many of the entrepreneurs' personal histories.

Allied to the entrepreneurs' general alertness was their high activity level, having many 'balls in the air' at the same time. This seemed to give them an added kinetic energy. They also demonstrated ability for keen observation and sensitivity for the occasion. Alertness to seize and exploit a situation, sum up and make quick decisions appeared to be almost universal attributes.

From the cognitive map of the entrepreneurs' creative thought processes in chapter 2 on page 69, the complexity of the mental modelling processes which go on mostly unconsciously during the creative process can be appreciated. The map lists the cognitive tools that are available and used both consciously and unconsciously, as the entrepreneurial situation demands. It was apparent from the interviews that the entrepreneurs all possessed very lively minds, and were constantly alert for opportunities, weighing up any changes that might have an affect on their enterprises. Situations and environments constantly change but unless the entrepreneur has the right mind-set, scanning to take advantage of these changes, opportunities will go unheeded. The entrepreneurs that were interviewed certainly seemed to be finely 'tuned-n' to taking advantage of these situations.

### **5.6.2 Experience**

The entrepreneurs' life path experiences and the skills they had cultivated appeared to have become important prerequisites in their ability to recognise and harness the entrepreneurial idea .

It was clear from the personal histories that the benefit of having gained relevant and other experiences in their earlier life, relevant or otherwise, had helped to

form the backbone of their considerable self-belief and confidence in tackling uncertainty, making decisions, solving problems and taking appropriate action when required to do so.

It is one thing to have experience, the more important aspect is to be able to draw down upon the relevant experience as and when it is required. Mitton (1989) termed this 'banking experience for future withdrawals.' Being successful in their entrepreneurial undertaking the entrepreneurs had many occasions when this ability was put to the test.

Failures and setbacks, although painful at the time, were looked upon in later life as valuable learning experiences. Money making ventures during their teenage years had helped them to cultivate a degree of independence and built up within them confidence in their own ability to accomplish their goals with small successes leading to bigger challenges. Skills cultivated during this period of their lives appeared to stand them in good stead in their future life path.

The entrepreneurs' personal histories were full of epiphanies, each well recalled and which seemed to have remained fairly uppermost in their memories. The epiphanies included failures and setbacks as well as successes. Extracts from the entrepreneurs' personal histories relating to learning from their failures and mistakes illustrated the common belief that they had someone looking after them, confirmed the belief that success breeds success and supported the critical incident theory (Chell and Haworth, 1987).

### **5.6.3 Positive thinking**

Being such positive persons the entrepreneurs seemed to look at problems in a different way from most ordinary people. They appeared always to see the 'other side of the coin', the opportunity that solving the problem presented. This attitude helped



to form the entrepreneurs' mindsets and established within them a powerful tool towards problem solving.

A positive attitude towards the exploitation of an opportunity appeared a vital ingredient to its success. There is not much point in dreaming up opportunities if no one is willing or able to do anything about them. The success or failure of an enterprise depends on how adroit one is at opening up good opportunities and avoiding mistakes. With problems one looks for the solutions and with opportunities one looks for the benefits. If one cannot identify and define the benefits one can assume that there is not any opportunity. One may have doubts about one's ability to achieve the benefits, because of uncertainty and risk factors, but one must, nevertheless, be able to spell them out.

Entrepreneurs tended to adopt a positive attitude and looked for those aspects of an opportunity that seemed promising, ignoring the deficiencies. However, there comes a time when one has to be specific and ruthlessly honest. The idea passes through a process of being evaluated, nourished and given a chance to develop into an opportunity, it has then to be assessed as to whether it is a go or no-go situation. There must be a predetermined point at which a project can be abandoned. Otherwise, from moment to moment, it will always seem to make more sense to put in a little more effort and money in order to avoid wasting what has already been invested. There will always be a feeling that success must be just around the corner. Ideally, cut-offs should be considered in advance when the opportunity is being evaluated and feelings are more in balance and emotions are under control.

#### **5.6.4 Internal control**

The internal locus of control theory (Rotter, 1966, 1975; Levenson, 1973) appears to be at the heart of what drives the entrepreneur through the ups and downs

of the business roller coaster. Its importance to the entrepreneur was very clear from the extracts: concerning the total belief in what they did, that they could control or influence their own environment, having a desire to own their own business, and the need to control their own destiny.

Research into the psychological concept of locus of control indicates that under an internal locus the entrepreneur tends to take responsibility for actions and views oneself as having control over one's 'destiny' (Reber 1985). The power of an internal locus of control in leading towards serendipity and discovery is that it allows the entrepreneur to adapt to chance occurrences in the external environment.

The need to control their own destinies and their ambition to have their own businesses, really go hand in hand, and was referred to by most of the entrepreneurs. These, along with other triggering events, certainly seemed to provide the 'spurs' for nascent entrepreneurs to go entrepreneurial.

### **5.6.5 Serendipity**

Most of the entrepreneurs recognised the importance of having the right mind set of what they wanted to achieve. At the same time they were aware that the path to achieve their objectives might come from any direction or source, at any point of time, quite unexpectedly. Serendipity, chance happenings that led to ideas and opportunities, was mentioned by most of the entrepreneurs. Each instance that was quoted had a unique story line. These viewpoints were also supported by the findings of Koller (1988), Simonton (1988), Beveridge (1980), and Martello (1994) in the research literature.

In his narrative of creative entrepreneurs, Fernald (1988) concluded that they are characterised by a thought process different from others. His definition of being creative was the ability to make 'serendipitous and surprising associations'. It

followed that a creative person must therefore be endowed with the ability to 'think laterally'. This viewpoint has been supported by the research findings.

Happenstance, serendipity, chance or just luck, the uniqueness of this process in the discovery of ideas has certainly been attributed to the entrepreneur. The process it embodies seems to depend on keen mental discernment and the exercise of sound judgement while in pursuit of something else. The research carried out by Remer (1965) has supported this observation. Koller (1988) added that the combination of accidental discovery with mental discernment made serendipity a powerful process, markedly appropriate to entrepreneurship since most entrepreneurial ideas seem to be recognised as they appear rather than actively sought out.

This phenomenon is, of course, not unique to entrepreneurs. It happens in all walks of life. Scientific and medical discoveries abound with examples. From their personal histories, entrepreneurs do, however, seem to have had more than their fair share. It could be that this is the result of programming their mind and the resultant unconscious scanning.

Despite the chance event, the personal histories show that the entrepreneurs' background of relevant experience seemed to have played an important part in the recognition of the idea or opportunity. Serendipity would appear to be a quality embodying more than just luck: it recognises chance, but it also needs preparation of both an entrepreneur's rational and non-rational faculties. Education, experience, effort, analysis and a realistic receptivity and sensitivity to the environment all contribute to the preparation process. Then, when chance and preparation interact synchronistically, the entrepreneur will have established fertile ground for serendipity to take root. However, without the entrepreneur then taking a pro-active role in the

process of discovery by succeeding the serendipitous discovery with action, the prepared ground will lie fallow.

The research by Beveridge (1980) supports the research findings by observing that to attribute serendipitous discoveries purely to mere chance is to overlook the importance of the synchronous convergence of preparation (resulting from education, experience, analysis and perseverance) with opportunity. He states that numerous examples showed that opportunities most often resulted from an underpinning of hard work that increased the likelihood of 'a happy accident'.

Other literature on serendipity proposed that activity, recognition and insight were crucial factors in any efforts towards its attainment (Cannon 1940; Taton 1957; Mednick 1962; Parnes 1975; Mansfield and Busse 1981; Rosenman 1988; Simonton 1988). Action sets the stage for the possible revelation of serendipitous knowledge; recognition allows the entrepreneur to see, and not overlook, the moment; and insight is the flash of understanding where knowledge meets application. While the literature rarely describes these elements as discrete qualities, for the successful application of serendipity they must combine and interact as a unified whole in the overall holistic process. It is this unity, this interdependence of the various elements that provides the framework for serendipity to grow in the entrepreneur (Martello 1994).

## **5.7 Internal processes**

### **5.7.1 Visualisation**

Visualisation can be defined as a projection, an image projected into the future of the place the entrepreneur wants his or her products to occupy in the market, and the type of enterprise needed to get there. It refers to the future destination of the enterprise. It offers to the entrepreneur, a guiding framework to help him or her get where he or she wants to go. One can question the difference between visions,

dreams, and hallucinations. Visualisation, of course, includes some intuition and, above all, imagination, but unlike dreams, vision is about real actions to be carried out. A visionary may be defined as a dreamer who wants to achieve, in fact, entrepreneurs who have developed a vision seem to have called on their imagination, reflection, judgement, and concentration for the purpose. It is a fact that the capacity to articulate a vision requires the ability to imagine one or more future scenarios.

All the entrepreneurs interviewed practised visualisation with considerable success. Numerous instances were quoted where, having visualised and rehearsed a particular situation when it actually occurred it felt like they had been there before – they knew what the outcome was going to be. ‘Déjà vu’ was mentioned on a number of occasions.

Almost reluctantly, most of the entrepreneurs admitted to using the techniques of visualisation and rehearsal to good effect. It, however, appeared to be something that they normally kept to themselves in case it was ridiculed. In many instances having visualised an outcome or situation, they were convinced that it would happen. It gave them the confidence that even if they could not control it, they could significantly influence the outcome. Their clear conviction gave them the ability to convince others to share their vision. Their confidence, enthusiasm and total commitment seemed to permeate through their organisations like an infectious disease.

While recognising the need and desire to have a vision, the entrepreneurs also needed to have a series of stepping-stone goals in order to reach that vision. It was important for them to have the ability to visualise the intermediate stages of the process and to rehearse them regularly and frequently. In doing so it was their belief that the final enactment and outcome had already been decided.

Filion (1991), Lock (1991), Reynolds (1987) and Rockey (1986) have expressed the importance of visualisation in the achievement of goals and objectives. One or two empirical studies have been carried out. It is surprising that not more empirical studies have been carried out as this research has shown empirically that nearly all the entrepreneurs practised this technique to their considerable advantage. Perhaps establishing the right sort of relationship is required for the entrepreneur to admit the use of this technique.

### **5.7.2 Goal-setting**

Everyone has an 'energy bank' deposited in one's body, like a bank account of one's 'life force'. Research has indicated that entrepreneurs seem to be blessed with a very high average energy level, inherited from birth and consolidated during the early part of their life by careful handling, encouragement, guidance and above all real-life challenges and experiences. Goals play their part in concentrating this energy. This is accomplished by defining what needs to be done and setting reasonable time limits in which to do it. It is also essential to focus this energy. An entrepreneur with focused, concentrated goals is very much like a laser beam. Laser technology and effective goal achievement are based on the same scientific principles. When light waves are concentrated, focused, and in step, they produce a beam of pure light which has incredible power. When goals are kept in focus and are approached in orderly progression, they ignite the human mind's powers of accomplishment and creativity.

Dreams are the creative vision of one's life: what one would like to become. Goals are the specific events that one uses to make this happen and should be kept just beyond reach but never out of sight. It is not just sufficient to set goals if one does not possess the firm belief that they will be achieved. As a result of positive energy, belief

is the promise that hoped-for goals will be achieved. As negative energy, it is the premonition of one's deepest fears and unseen feelings of inadequacy. The entrepreneurs believed in the validity of their own dreams, they had clearly defined goals and action plans. They had a specific sense of direction, and that direction was mainly based on their own desires, not those assigned by someone else. They appeared to make their plans work by exerting effort, energy, and whatever time was required to reach their goals. In so doing they became adaptable and flexible in order to meet changing circumstances. They welcomed change and appeared always alert to any opportunities that usually accompanied a changing situation.

Goal-setting and social cognitive theory (Locke and Latham, 1990a; Bandura, 1986) as practised by goal-setting appeared to be a fundamental part of the entrepreneurial process, and this was substantially borne out by the entrepreneurs' comments. They all actively practised goal-setting and used these goals not only as something to aim for, but to monitor and evaluate their own performance in achieving them. On occasions this caused them a degree of self-satisfaction or dissatisfaction depending on the outcome.

Whilst goal-setting techniques are well-accepted and understood. Bird (1988); Katz and Gartner (1988); Learned (1992) refined the process by discussing intentionality and propensity to act. Herron and Sapienza (1992) stressed the importance of levels of aspiration and Greenberger and Sexton (1988) believed that the entrepreneur's vision was the guiding force towards achieving goals. All these theories can be interpreted and read into various situations at a number of points in the entrepreneurs' personal histories with the comment that the findings indicated that the goals were the guiding force to achieving the vision.

The research findings supported the viewpoint that the entrepreneurs use goal and sub-goal-setting as a normal part of their enterprises' procedures. These were the entrepreneurs' personal-ambition goals, their goals for the enterprise and individual goals for the members of their organisations. Intentions, aspirations, and certainly the propensity to act were also evident, although many implied this rather than specifically stating it.

The importance of having goals has been outlined. There was also the need for having sub-goals to be used as stepping stones along the path towards achieving these goals. Sub-goals helped to ease the passage and to withstand the trials and tribulations to be found along the way. There was also the need for flexibility, as goals have to be flexible enough to survive the possibility of a constantly-changing environment, situations where new courses have to be plotted, and when long-held beliefs about oneself and where one is going are challenged. At these traumatic moments of sudden transition, the entrepreneurs experienced the effects of chaos. As a result of having a positive mind the entrepreneurs appreciated that this was a natural phenomenon, which by its presence would present them with opportunities. Although change is becoming more commonplace in today's world, it is never easy and it is usually accompanied by a considerable sense of discomfort. When it happens, as it undoubtedly will, it is important that one is ready to meet the challenge and to seize the opportunity that it affords. Entrepreneurs are of course past masters of this.

The research findings highlighted two more important stages in the entrepreneurs' goal-setting procedures. The first was the need to have the right environment to be able to think, having their own problem space, life space, a place and time for solitude and reflection, an opportunity to communicate with their inner voice. They had realised that this could not realistically take place in the crowded and



somewhat demanding business day, or during the hustle and bustle of family life. Travelling often afforded them the opportunity for quiet reflection, as did walking the dog, sailing, or spending some time in the hills. Early in the morning or last thing at night often provided this quality thinking time. Having ‘shower thoughts’ was also mentioned.

The second was to formalise their dreams, goals, and sub-goal objectives, by writing them down, rehearsing them, setting time scales and dates as to their anticipated attainment, monitoring them and, when necessary, revising them to meet changing conditions.

### **5.7.3 Inner force**

The best motivator for achieving one’s goals is the ‘inner force’ which inspires one to develop an idea, solve a problem, fill a need, to do something special – this is known as ‘intrinsic motivation’. There are also extrinsic motivations of which the desire for money is a prime example. Very often having an idea becomes a goal, especially when one recognises that it meets a need in one’s life. Then the motivation in achieving this goal depends on how strong one’s need is, and whether one has the necessary determination, optimism, and toughness to follow this idea to fruition. Entrepreneurs have these necessary attributes. Determination gives them the resolve to keep going in spite of ‘roadblocks’ that lie ahead. Optimism gives them the energy boost and focuses their sights towards reaching these goals, rather than wallowing in setbacks and difficulties. Toughness gives them the resilience to keep pressing on, even if their determination and optimism starts lagging. All three combine to keep goals in focus despite delays, frustrations and setbacks which one always finds along the way to ultimate success.

#### 5.7.4 Thinking space/time

Amabile (1983) and Rockey (1986) from their empirical research studies stressed the importance felt by their respondents for the need for quality thinking time and quiet thinking space away from the hustle and bustle of the organisation and family demands. This viewpoint has also been mentioned by a number of researchers. The research findings certainly supported this requirement.

Agor (1986) recognised from his study that the entrepreneurs' effective use of their intuitive ability was impeded and they also made errors while making critical decisions under time pressures. Errors were also made when they were not relaxed, not confident or when physical or emotional stress was present. It was important to clear the mind mentally, seek quiet times and solitude to think. Some listened to classical music and allowed their minds to wander. It was considered important to relax and let go of physical and emotional tension.

Ainsworth-Land (1982) in the research paper on imaging and creativity stressed the importance of listening to classical music, practising rhythmic breathing and having relaxation techniques to aid the thinking process. It advocates the necessity to cultivate deliberate spontaneity, consciously opening oneself to the flow of ideas, giving oneself over to some automatic activity in order to induce a state of receptivity. Once the conscious mind starts the stream of ideas flowing, it can step out and allow the unconscious flow to continue to meander without obstacles.

Rockey (1986) talks about arriving at an alpha state through clearing the mind, relaxing and breathing deeply.

Kao (1989) refers to the extroverted style of the entrepreneur requiring to be balanced by an ability to be alone to pursue creative tasks, as it is only in the solitude of the entrepreneur's own thoughts that the creative visions about a new business

possibility can be worked out completely. The balance of having to work and make decisions with people has to be balanced with the introversion of creative thought.

Many of the entrepreneurs stated that they valued their special time and place to allow their mind to wander, for example, walking the dog, walking in the hills, sailing or even being in a darkened room without any distractions. Others did their best thinking in the shower, whilst driving or travelling by air. It did not seem to matter where the entrepreneurs' chosen place was the technique seemed to work for them.

All the entrepreneurs recognised the importance of having quality thinking time and quiet places to think, contemplate and reflect. There was the necessity to have these special places away from the hustle and bustle of their enterprise and the demands of their family. Relaxation, meditation, quiet contemplation, emptying the mind, having a freewheeling agenda, all had the positive effects of providing the right frame of mind and environment for creative and innovative thoughts.

#### **5.7.5 Intuition and gut feeling**

Nearly all the entrepreneurs made direct reference to the esteem they held for their intuition, instinct, gut feeling and their sensitivity to having the right feeling for a situation. In many cases, this was the final deciding factor in making important decisions.

Isenberg's (1984), Agor's (1986), and Rockey's (1986) empirical research findings regarding the entrepreneurs' use of intuition and gut feeling in decision taking and the reluctance by the entrepreneurs to share this method with others were shared by many of the entrepreneurs in the panel.

While busy with all their activities, entrepreneurs had also to be able to recognise the moment of discovery. Adjustments had to be made to the entrepreneurs'

recognition skills to counteract cognitive biases in order to increase the entrepreneurs' receptivity to chance, heightening their potential for the cognisance and capture of a revealing moment – the realisation of an idea or opportunity. Recognition skills helped the entrepreneur to counterbalance cognitive biases that served to distort perceptions of the surrounding environment, or even of oneself.

The entrepreneur's process of recognition uses intuition as an important tool for its development. According to Bastick (1982) intuition is a perceptual process which operates in a global, non-linear fashion that includes 'eureka' and 'aha'. 'The typical "aha" experience cited by the entrepreneurs can be considered to be the result of new connections of elements residing inside their mind and/or within their perceptual field. This new and relevant connection or new and harmonious connection often "just happens", accidentally or serendipitously' (Parnes 1975, p. 226). However, because of the preparatory activity already undertaken by the entrepreneur, the connection occurs within an already prepared field, 'the prepared mind'. This insight triggers off a 'flash of illumination in a mind already loaded with a mass of relevant information' (Beveridge 1980, pp.19 –20). 'Eureka' evokes the realisation that 'I have found it', but 'aha' provides a direct link from information to discovery, for here something is found that was not being looked for – in fact, its appearance may be met with doubt or incredulity (Beveridge 1980). These excerpts from the research literature add weight to the research findings on the use of the entrepreneurs' intuition.

Awareness of intuition, and comprehension of the roles it plays in the creative process, lay the foundation for the construction of new or expanded thought networks in the mind. The fine tuning of intuition requires a commitment to time spent in the non-verbal realms of the mind. Access to the imaging part of the mind is achieved through mental and physical relaxation. Relaxation coupled with the focusing

techniques common to methods of meditation help to quieten the mind and to centre its energy on a problem or area of interest.

## **5.8 Ideas**

One can liken 'ideas' to seeds, that suddenly materialise out of thin air, blown in the winds of time before landing on barren, stony, or rich fertile soil. Conditions have to be environmentally, sociologically and circumstantially in balance for the seeds to take root and be nurtured. And with the necessary attention, focusing and alertness, the seed is able to germinate an exciting full-blown opportunity. Many seeds fall on barren ground, others fall on fertile ground, but do not receive the care and attention necessary for germination, still others lie dormant for another time awaiting the right time and conditions. Some do succeed and as a result are able to ensure the propagation of the species.

How do these seeds of ideas arrive? As with most things it is always easy to explain things with hindsight, in this case it would appear that the 'seeds' came by themselves, unanticipated, unbidden and often as a complete surprise. They seem to originate from work, acquaintances, hobbies or as a result of everyday observations of unforeseen events.

The discovery of new ideas is not a matter of randomly looking around and hoping for something suddenly to materialise. Each venture is highly specific, as is each individual entrepreneur, and the information that is needed for the discovery of the idea is similarly special. Acquiring the habit of generally looking around in the hope of increasing the odds of picking up an idea that someone else may have overlooked is certainly a positive action plan, however, it must be appreciated that the 'discovery' may not be apparent at the time of the search. Persistence over time is

needed until some fortunate coincidence (some people call it luck) adds the needed final element, the last piece of the jigsaw, to the discovery.

One of the main reasons given for putting an idea on hold is through a lack of available information from which to make a considered decision. Having the right 'gut feeling' is OK, it gets the idea past the first hurdle, but one needs more than that in order to convince investors to part with their funds. This obviously takes more time and effort. Financial resources are required, but other resources have to be made available to process the idea forward, and this is another legitimate reason for delaying the project, unless it is given top priority. Usually there are many demands on a business's resources and there have to be priorities. These usually reflect the quickest pay-off with the least risk. It is, however, important that the longer-term aspect of the business is also taken care of.

During the interviews, the entrepreneurs did not spontaneously mention that many of their current ideas were put on the backburner for whatever reason. They concentrated their thoughts on the ideas that were in fact converted into opportunities. Some, however, did make reference to a few ideas that they still had at the back of their minds awaiting the right time for their reappraisal.

The personal histories show that many of the entrepreneurs had picked up opportunities rather than ideas, and were able to convert the opportunity into a creation. The creative process was still there only the starting point was different.

Quite a number of the ideas seemed to be an adaptation of something which already existed in some form or another. Again the entrepreneurs creative skills were required to ensure the finished product or service met the requirement of the market opportunity.

It appeared that most of the entrepreneurs' ideas were related to their business in some way or another. Their ideas were quickly subjected to their 'gut feeling' as to whether they should be pursued and when.

They certainly did not relish or practice discussing their ideas with anyone until they themselves were convinced that it was worthy of further consideration and, if necessary, until they were able to defend their point of view. However improbable the idea, most were recorded in some way or another for future dusting and appraisal. The important point made by the entrepreneurs was that they did not want the idea to disappear. Most entrepreneurs realised that the 'right timing' was key to most of their decisions and as a consequence, until the timing was right, things and ideas were placed on what they called the 'back burner'.

There was universal agreement that most of their inspirational ideas occurred outside the office environment. The favourite places were their 'thinking spaces', where their mind could wander on a free agenda. They all had their favourite place, where their mind was at the most creative. The findings supported Kao's (1989) viewpoint that the entrepreneur does not necessarily have to be creative, but must be able to recognise and take advantage of the creativity of others whether it is an idea or an opportunity.

Very few of the entrepreneurs commented on the rejection of their ideas. Perhaps the reason was that it dealt with the negative and entrepreneurs don't usually talk about negatives. They are too busy being positive and looking to the future to look backward. Only one entrepreneur used the word 'discard', and that was in reference to the idea of making an acquisition of a competitor company. They placed importance on maintaining a treasure trove of ideas, thinking that one day the time

would be right for the idea to be taken out, dusted off, and progressed. So why throw it away?

Some entrepreneurs ventured the opinion that the lack of available resources was the reason for not going ahead with the development of an idea. This posed the question if the resources were now available, would they still go ahead? Or was it a face-saving exercise to excuse them not taking any action?

It is always very easy to say no, and at the same time talk about playing things safe, the need to be careful and the pressure of work. Many times the decision-maker does not have the courage to take the risk and make the commitment. Not many entrepreneurs seem to fall into this category and this perhaps is another distinction that sets them apart from others.

## **5.9 Entrepreneurs' beliefs**

The main purpose of the cluster on entrepreneurs' beliefs was to use these variables as a means of identifying, from the entrepreneurs' own accounts, opinions and viewpoints, that appeared to be generic among the panel of entrepreneurs. It was also considered important to use these beliefs and important issues to give weight to the context within which the entrepreneur's mind-set evolves and the discovery process takes place.

In relation to the entrepreneurs' creative processes, only a few of the variables appeared to be directly related, however, some of the other variables that were considered make an important contribution to the holistic aspects concerned with the creative process.



### **5.9.1 People**

All the entrepreneurs appreciated the importance of having the best people, as they recognised that they themselves did not possess all the skills necessary to make a success of their enterprise. Again and again it was stressed that their ultimate success was due to having the support and skills of the key people they had recruited into the enterprise in order to carry out the skills that they themselves did not have, or to supplement other specialised requirements.

This was something that they could not afford to stint on, even although it might mean making cuts elsewhere in order to afford the right people. Apart from money, it was the most important resource they had, or were required to have.

### **5.9.2 Windows of opportunity**

It has already been mentioned that windows of opportunity seem to open up for entrepreneurs especially after they have successfully opened their first 'door'. Certainly, experience of starting and developing their own enterprise had given them the added confidence and self-belief necessary to tackle other challenges. Some of the entrepreneurs had developed the opinion and attitude that the 'world was their oyster' and that everything was possible, once they had set their minds on achieving it.

The more successful entrepreneurs seemed to be the ones that recognised what their real core strengths were, and rarely strayed too far away from what they knew best. Having said this, most of them appreciated the dangers of becoming too complacent, too comfortable and the ever-present risk of developing a tendency to take their 'foot off the accelerator'. Their enterprises' drive and motivational culture clearly stemmed from the entrepreneurs themselves and appeared to permeate throughout the organisation. As a result of this, any changes in the attitude, actions

and visible feelings by the entrepreneurs were felt at all levels in their organisation remarkably quickly.

### **5.9.3 Needs**

The need to prove themselves to others and in many instances also to themselves appeared to stem from incidents, that happened to the entrepreneurs in their adolescence. In a number of cases, it was tied to them having so-called ‘chips on their shoulders’, arising from some injustice, misunderstanding or missed opportunities.

This need provided the nascent entrepreneur with tremendous motivation. The entrepreneurs’ personal histories were punctuated with examples where this need to prove seemed to continue well into their adult life, so deep rooted had it become.

Of all the number of ‘need’ theories, perhaps the best known is McClelland’s (1961, 1987) need for achievement, power and affiliation theories. Certainly the achievement motivation permeated most of the entrepreneur’s personal histories as indicated in the extracts. Deci and Ryan’s (1985) need theory, which asserts that people have innate needs for competence and self determination, is certainly supported by the entrepreneurs’ desire to be in control of their own destiny and to have their own businesses. Maslow’s (1970) hierarchy of needs, physiological, safety, esteem and self-actualisation was well covered in the extracts from the personal histories.

### **5.9.4 Part-time jobs**

Most of the entrepreneurs, male and female, took on part-time jobs while still at school, to help pay their way, earn money for a special purchase, or just to have a feeling of independence. It gave them their first taste of business and created within them a healthy respect for money as a means of getting what they wanted. This aspect

may have contributed to most of them leaving school at the first opportunity, as well as other factors such as mediocre school reports. It was interesting that quite a few of the ‘early leavers’ went back to their books later in life to gain degrees or other qualifications, many at night school. They liked to be termed ‘late developers’.

### **5.9.5 Inspiration**

It was surprising to learn that a number of the very successful entrepreneurs specifically mentioned that they still gained inspiration from being with other entrepreneurs and successful people. They spoke of having a ‘buzz’, and said they found the company both motivating and exhilarating. After hearing this, it was not surprising to learn from their histories that their favourite books were biographies of successful people. Many of the entrepreneurs also mentioned that their favourite reading matter was Napoleon Hill’s *Think and Grow Rich* which they considered their inspirational bible.

### **5.9.6 Escape routes**

Without exception, years of being entrepreneurial brought many changes within the entrepreneurs. The entrepreneurs had become more cautious, spoke of hedging their bets, having escape routes and used the expression that ‘things are never forever’. Having struggled to build up their enterprise, they obviously did not want to lose or jeopardise what they already had accomplished. As many of their enterprises continued to grow and expand, the entrepreneurs appreciated that they too had to undergo a transformational process. Some managed to respond positively to this necessity, while others felt the ‘fun’ had gone out of it.

For the majority of the entrepreneurs, making enough money to live on, and repaying the interest on the debts they had incurred, was certainly initially considered their main motivation. But like a lot of other things that changed with the passage of

time, the money they earned was eventually looked upon and used as a means of 'keeping score' of their success.

For many of the entrepreneurs, hedging their bets became more and more important. Sometimes they were making so much money that they liked to speculate with it. They thought that they had golden fingers and could not go wrong. At other times they just could not resist an opportunity. It was interesting that, unless they had some sort of control over their speculative ventures, they apparently were not so successful.

Some expressed fears that one day the bubble would burst. This in some cases was considered the penalty of being successful; one had more to lose. Life was looked upon as being cyclic. There was always a wind of change, the belief that nothing was forever. Other entrepreneurs considered that it was important to have fear and that over-confidence forecasted disaster.

Many sought to start other enterprises in order to hedge their bets in case one failed. In doing so they became termed 'serial entrepreneurs'. Others had built up a portfolio of companies bringing in appropriate management teams to run them. They all admitted that it was the challenge of creating these enterprises that drove them on and gave them excitement and fulfilment.

#### **5.9.7 Family relationship**

The entrepreneurial businesses appeared to have put unacceptable strains on family relationships resulting in many broken marriages. It was apparent that the number one priority given by the entrepreneur to the development of the idea and opportunity, in many cases in exclusion of the needs of the family, entailed paying a price to pay for leading such an unbalanced life. There were a few that survived but out of the entrepreneurs interviewed this was a minority.

Only a few of the entrepreneurs indicated that their parents had been in business on their own account and as a result was an influence and help to them starting up their own business. There also did not appear to be many ‘silver spoons’ being handed out in the entrepreneur’s personal histories. Most of the entrepreneurs appeared to have fended for themselves and in the majority of cases had struggled on their own to raise the finances and resources required for their first entrepreneurial venture.

### **5.9.8 Challenge**

The entrepreneurs certainly relished the mental and physical challenge of converting ideas into business opportunities. In fact, it became very much a personal challenge. Having survived the trauma involved in creating their first business venture they wanted to maintain the momentum and make a success of other windows of opportunity, which were opened to them. Sometimes, it almost became an addiction to the adrenaline flow, which became part and parcel of solving problems and difficulties, and coming out on top.

### **5.9.9 Attitude**

Attitude theory (Abelson, 1981) was supported by the entrepreneurs’ personal histories as from the interview data one could gauge the entrepreneurs’ deep-seated attitude to certain situations. Their attitude was undoubtedly influenced by their core attributes, in particular their beliefs, values and principles.

### **5.9.10 Equity**

Equity theory (Locke, 1976; Adams, 1965; Miner, 1980) states that when outcomes meet or exceed expectations. The entrepreneurial behaviour is positively reinforced and the entrepreneur is motivated to continue to behave entrepreneurially either within the current enterprise, or possibly through the initiation of additional

enterprises, depending on the existing entrepreneurial goal set. When outcomes fail to meet expectations, the motivation of the entrepreneur will be lower and will have a corresponding impact on the decision to continue to act entrepreneurially. These expectations are likely to change over time, and may be modified as the enterprise evolves, or as the entrepreneur enters succeeding stages of his or her lifecycle. This theory did not appear to be well supported by the entrepreneurs' personal histories, although a number of them did mention the need to share the rewards of their enterprise more equitably amongst the people that were working for them. This took the form of share participation, profit sharing and better fringe benefits. This aspect was also covered in relation to the importance of having the best people.

#### **5.9.11 Persistence**

With all the uncertainties, changes, setbacks and failures that entrepreneurs have to withstand and live through, it is evident that persistence and resilience are key attributes. The entrepreneurs personal histories are punctuated with many examples that show that without these attributes they could not continue to behave entrepreneurially. The extracts from the personal histories supply fascinating accounts of the tenacity shown by many of the entrepreneurs in overcoming unexpected difficulties. The persistence theory (Brockhaus and Horwitz, 1986; Gatewood, 1995). was well supported by the findings of this research.

#### **5.9.12 Ambiguity**

Ambiguity tolerance theory ( Schere, 1982; Sexton and Bowman, 1985) is basically a personality characteristic that influences the manner in which one organises information about ambiguous situations. There are two extremes in this theory: ambiguity can be perceived as undesirable, stressful and threatening or it can be viewed as a desirable and challenging goal. There are no prizes for guessing which

one the entrepreneurs favour. Some of the entrepreneurs specifically mentioned that they would not like to know with certainty what was going to happen. They also stated that they responded to new challenges, and that included making decisions in ambiguous situations. Extracts from the personal histories contained some relevant comments, but most were implied from the context of their accounts.

### **5.9.13 Exchange**

Exchange theory (Schlenker, 1980) is all about maximising profits from interactions. If profits are high the entrepreneur will be deemed to be satisfied; if profits are non-existent or low relative to what could be obtained in an alternative relationship, the entrepreneur is most likely to leave the business-related relationship. This pattern also applies to those people who are involved in the entrepreneur's enterprise. By recognising and managing the principle of an equitable relationship, justice and fairness will have been seen to be done with the result that the entrepreneur and colleagues will be more likely to maintain their relationship.

## **5.10 Learning from the research findings**

A great deal of ground has been covered in the research in order to discover how the entrepreneurs' creative processes begin and evolve. From the rich source of data arising from the fifty entrepreneurs' personal histories it has been possible to extract a total of thirty-nine generic themes. These themes give important clues as to which elements are considered important for the discovery of the entrepreneurial idea or opportunity.

The important point to note is that the process starts early in the nascent entrepreneur's life path with experiences, successes, failures and the cultivation of skills all looked upon by them as valuable building blocks in the establishment of the right mind-set for the discovery to happen.

The generic themes contain a number of mental modelling techniques which can be learned. This, together with an appreciation of how the system works, can prepare the nascent entrepreneur's mind to scan for and recognise the right moment when the idea can fall on fertile ground.

Alertness, activity and a degree of sensitivity can also be cultivated with patience and understanding and will ensure the right context for recognition and harnessing of the idea.

The important decision is to make a start, not to wait for the big occasion, appreciate that small successes will lead to bigger ones and in so doing increase one's confidence to tackle even bigger challenges. They should be looked upon as milestones on the way to achieving the overall vision.

It is also important to remember that there is usually a price to be paid for this independence and freedom to control one's own destiny. Peace of mind, becoming a workaholic, strains on family relationships, monopoly of one's life, commitment of one's assets, mental strain, coping with stressful situations, responsibility on one's shoulders: these aspects have to be considered against the benefits and rewards of being successful.

Probably the most important aspect to be cultivated is total self-belief, which can be at the heart of one's confidence in meeting challenges. Making decisions and ensuring their successful outcome, building upon small successes and developing a high degree of resilience are all recipes for developing the right mind-set.

The following chapter provides a summary of the research findings, an appraisal of the research approach including its shortcomings and outlines recommendations for future research. It attempts to provide, from the overall findings,



a tentative profile of the creative entrepreneur. It concludes by discussing the implications of the research study for policy makers, entrepreneurs and practitioners.

**Chapter 6**

**Conclusions**

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### **Conclusions**

#### **6.1 Introduction**

This chapter provides a summary of the research findings, an appraisal of the research approach together its shortcomings and outlines recommendations for future research. It attempts to provide, from the findings of the research study a tentative profile of the creative entrepreneur. It concludes by discussing the implications of the research study for policy makers, entrepreneurs and practitioners.

#### **6.2 Summary of the research findings**

The data obtained from the entrepreneurs' personal histories generally supported the structure of the entrepreneurs' creative processes outlined in Figure 2.14 on page 109. The path outlined in the structure is not strictly followed from A to Z because the process is not necessarily a linear one. However, taking an overall consensus of the data, it is clear that there are specific phases, that the process went through that is generally in accordance with the structure shown. All the entrepreneurs confirmed that the process really started in early childhood with some inherited attributes and that the social influences during the formative years of their lives played an important part in establishing their sense of values and principles. Learning experiences helped to strengthen their resolve and build within them a capacity to be resilient to life's disappointments and setbacks. Small successes gave encouragement to tackle more ambitious plans and projects. These experiences appeared to be considered fundamental in forming the foundations of their creative ability.

The critical incidents in the entrepreneurs' lives usually appeared as milestones or stepping stones leading to the triggering event which in turn eventually led to the discovery of the idea and the eventual founding of their own enterprise. Many of these critical incidents were unsolicited. Many were serendipitous or chance happenings. The reactions taken by the entrepreneurs in response to these incidents were very dependent on the situation and circumstances prevailing at the time – it was also very much dependent on the entrepreneurs' mind-sets, their prepared minds.

Many of the entrepreneurs appeared to share common beliefs, attitudes, values and principles. They also shared many mental modelling techniques, such as visualisation, goal-setting, rehearsal, etc. Their upbringing and early work experiences had many parallel incidents. Their attitudes to certain work ethics had much in common. The effect that dedication to work and a single-minded approach had on their social and private lives followed many similar paths. It appeared that it was because they possessed so many, not just one or two of these attributes and beliefs that set them apart from other people, and explained their entrepreneurial behaviour.

The findings of the research confirmed the existence of and the part played by serendipity, visualisation, and goal-setting in the entrepreneurs' creative processes. All of these elements are highly rated by the entrepreneurs, with 'chance' and 'luck' replacing serendipity as a possible explanation as to how the 'idea' came to them.

Goal-setting is much more openly discussed and is looked upon as an important tool; milestones and creating benchmarks in the control of their enterprise and achieving their visions for the future. There is an appreciation of the need to set achievable and realistic goals and that much benefit is obtained from setting them as well as their satisfactory execution. The entrepreneurs recognised the need for

flexibility and regular reviews of their goals because of the changing and dynamic environment in which they operated.

There is reluctance to share their innermost feelings with others especially at the conception of their nascent ideas. The entrepreneurs wanted to wait until they had the opportunity to put more 'flesh on the bones' of their idea before exposing it to the ridicule or adverse comments from others. They wanted to have the ability to defend any adverse criticism.

The findings also highlighted the existence of 'intuition', 'gut feeling' and the 'feels-right' reactions that helped the entrepreneurs to recognise and harness the nascent ideas and convert them into opportunities. It also gave them important indicators to making the right decision at the right time.

The entrepreneurs recognised and paid tribute to the benefit they had achieved from years spent in gaining relevant experience, 'winning their spurs', making mistakes at someone else's expense. Mitton (1997 p.4) made the observation 'most entrepreneurs appreciate that experience is the best teacher. They actively bank experience. They make frequent deposits and withdrawals.'

The entrepreneurs appreciated the part their unconscious mind played in scanning for ideas and the need to engender the right mind-set for the recognition and harnessing of the idea or opportunity. Their personal histories proved that critical incidents in their life path evolved as triggering events, planting the seeds that set the pre-entrepreneurial process in action.

Alertness and being mentally and physically active appeared to be common and very necessary attributes as was their general energy level. Their personal histories tended to support the theory that their above-average energy level seemed to be genetically inherited, topped up by the energy derived from creative tension,

kinetic energy and the energy produced by high levels of adrenaline flow produced by responding to challenges and overcoming difficulties.

The predominant attributes that all the entrepreneurs showed is their absolute and total self-belief and self-efficacy in what they were doing. Their ability to make things happen in order to achieve their goals and vision for the future. It appeared that their self-belief had been fashioned by years of small successes leading to bigger ones, responding to challenges, and overcoming setbacks and difficulties, taking increasing levels of responsibility.

It is clear from previous research literature and from the data arising from the entrepreneurs' personal histories that the role of serendipity played a crucial and fundamental part in the overall creative process. It is also clear that the ability to recognise the serendipitous event required a number of other 'happenings' to be in place at the same time, such as having an experienced 'prepared mind', focused thought patterns, activation, an alertness coupled with a total self-belief and self-efficacy.

An ability to apply and harness chance findings required a systematic planning approach that operated both unconsciously and consciously using many cognitive tools. Visualisation and rehearsal techniques, operating in a quality-thinking environment, provided the entrepreneurs with pre-life experiences where they could apply various scenarios and scripts in order to reach their objectives. Not only could they focus their actions by these methods, they could also ensure that their enterprise's culture shared the same vision.

Each phase of the creative process played its part in the eventual outcome. There is a beginning, middle and an end, and they could not be separated. Different 'weights' can be applied to each phase depending on the circumstances prevailing at

the time, but, overall, they existed as a whole human activity system and must therefore be looked upon and treated as such.

### **6.3 Comments on the findings relating to the research questions**

The chapter describing the background and focal theories of the research subjects concluded by listing a number of research questions, which are considered to be germane in determining the aim and objectives of the research study. The intention is that they would form the basis of a list of variables that could then be used in the subsequent analyses of the entrepreneurs' personal histories. Although the questions are discussed and validated in the research findings in Chapters 4 and 5, a summary is now given of the questions together with brief comments on the research findings.

RQ 1 Does having a 'prepared mind' constitute an important factor in the discovery of ideas?

The entrepreneurs appreciated the part played by their unconscious mind in scanning for ideas and the need to engender the right mind-set for the recognition and harnessing of the idea or opportunity. Their personal histories proved that critical incidents in their life path evolved as triggering events, planting the seeds that set the pre-entrepreneurial process into action. It also required the entrepreneurs to be pro active in order to engender the right context and environment.

RQ 2 Do ideas ever occur by chance, if so how many and in what context?

This element is highly rated by the entrepreneurs, with 'chance' and 'luck' replacing serendipity as a possible explanation as to how the 'idea' came to them and played a crucial part in the discovery process of their ideas. They also agreed with the paradox that the harder they tried to look for an idea, the less likely they were to find it. However, if they stopped trying and thought about something else, invariably an

idea would materialise. Having the relevant background of experience and the right internal control is also considered important.

RQ 3 Does intuition and gut feeling play an important part in the entrepreneurs' decision taking?

The findings highlighted the existence of 'intuition', 'gut feeling' and the 'feels-right' reactions, which helped the entrepreneurs to recognise and harness the nascent ideas and convert them into opportunities. These reactions also gave the entrepreneurs important indicators in adopting the right decision at the right time.

RQ 4 Does it appear that having self-belief and self-efficacy forms an important basis of having confidence and ability to make decisions?

The predominant attributes all the entrepreneurs showed were their absolute and total self-belief and self-efficacy in what they were doing and their ability to make things happen in order to achieve their goals and visions for the future. Their self-belief appears to have been fashioned by years of small successes leading to bigger ones, responding to challenges, overcoming setbacks and difficulties. Resulting in building up their confidence and encouraging them into taking increasing levels of responsibility.

RQ 5 Do sense of values and principles formed in early life help to establish standards of business behaviour?

It is very clear that most of the entrepreneurs had standards, values and beliefs that they tried to uphold. These invariably originated during the entrepreneurs' early formative years, fashioned by their upbringing and the social context of their environment. In many cases their values appeared to represent their core strengths and as such, rarely changed during their life path.



RQ 6 Does having special thinking places and quality thinking time help to develop the ability to harness and crystallise ideas into opportunities?

All the entrepreneurs recognised the importance of having quality thinking time and quiet places to think, contemplate and reflect. There was the necessity to have these special places away from the hustle and bustle of their enterprise and the demands of their family. Relaxation, meditation, quiet contemplation, emptying the mind and having a free-wheeling agenda all had positive effects of providing the right frame of mind and environment for creative and innovative thoughts to materialise.

RQ 7 Do many of the entrepreneurs use visualisation and rehearsal techniques in order to achieve their objectives?

The findings of the research confirm the existence and the part played by visualisation and rehearsal techniques in the entrepreneurs' creative processes. Almost reluctantly, most entrepreneurs admitted to using the techniques of visualisation and rehearsal to good effect, it appeared to be something that they normally liked to keep to themselves in case others ridiculed it. In many instances having visualised an outcome or situation they were able to convince themselves that it would happen. It gave them the confidence that even if they could not control, they could significantly influence the outcome. The entrepreneurs' clear conviction also gave them the ability to convince others to share their vision. Their confidence, enthusiasm and total commitment seemed to permeate through their organisations like an infectious disease.

RQ 8 Does the use of goal-setting techniques help to achieve business objectives?

Goal-setting was openly discussed and was generally considered by the entrepreneurs to being an essential requisite in their enterprise. They looked upon

goals as being important milestones and benchmarks, in order to achieve their vision for the future. They appreciated the need for achievable, realistic goals and sub-goals, and recognised that as much benefit is obtained from setting them as was from of their satisfactory execution. They also recognised the need for flexibility and regular review of their goals in the light of the changing and dynamic environment in which they operated.

#### **6.4 Comments on the findings relating to ideas**

On the question as to how entrepreneurial ideas are discovered, recognised and harnessed, it appeared that in many of the personal histories the entrepreneurs picked up opportunities rather than ideas, and were then able to convert the opportunity into a creation. The creative process is still there; only the starting point was different.

Quite a number of the ideas also seemed to be an adaptation of something that had already existed in some form or another. The entrepreneurs' creative skills were then required to ensure the finished product or service met the requirement of the market opportunity.

It appeared that most of the entrepreneurs' ideas were related to their business in some way or another. Their ideas were quickly subjected to their 'gut feeling' as to whether they should be pursued and when.

The entrepreneurs certainly did not relish or practice discussing their ideas with anyone until they themselves were convinced that it was worthy of further consideration and, if necessary, they were able to defend their point of view. However improbable the idea, most were recorded in some way or another for future dusting and appraisal. The important point made by the entrepreneurs was that they did not want the idea to disappear. Most entrepreneurs realised that the 'right timing' was key

to most of their decisions and as a consequence, until the timing was right, things and ideas were placed on what they called a 'back burner'.

There was universal agreement that most of their inspirational ideas occurred outside their office environment. The favourite places were their 'thinking spaces', where their mind could wander on a free agenda. They all had their favourite place, where their mind was at the most creative.

### **6.5 Comments on the differences between entrepreneurs and non-entrepreneurs**

The research study did not specifically address the differences between entrepreneurs and non-entrepreneurs or whether entrepreneurs are born or made. However from the research findings it is possible to make a number of observations which could be considered relevant.

Entrepreneurs are only entrepreneurs when they are proactive and innovative creating their enterprise. Once they stop being active entrepreneurially they can be termed a non-entrepreneur. Being such positive persons the entrepreneurs seem to look at problems and situations in a different way from most ordinary people. They can always see the 'other side of the coin', the opportunity that solving the problem presents. This attitude forms the entrepreneur's mind-set and in so doing so creates a powerful tool towards solving the problem situation. They have a single-minded approach in the creation of their own enterprise which usually results in them giving it number one priority in their life, even if it means to the exclusion of their family. They have little hesitation in using other people's money to finance their entrepreneurial activities and are also prepared to put some of their own assets on the line. They tend to make important decisions with only half a story or information relying on their gut feeling and intuition to ensure it is the right decision.

Entrepreneurs think in a different way to the average person. They approach situations with a more open mind; have a different mind set; always see the positive side of the equation; seem to possess a common set of attributes; see problems as opportunities; are prepared to make decisions with only half the answers; act by the seat of their pants; usually have total self-belief in what they want to do; rarely look back as they are too busy looking forward and treat failures and setbacks as learning experiences.

Many of the entrepreneurs appeared to share common beliefs, attitudes, values and principles. They also shared many mental modelling techniques, such as visualisation, goal-setting, rehearsal etc. Their upbringing and early work experiences had many similar experiences. Their attitude to certain work ethics and detail work requirements had much in common. The effect their dedication to their work had on their social and private life followed many similar paths. It is the fact that they possess so many (not just one or two) of these attributes and beliefs, that sets them apart from other people, and contributes to their behaviour in their particular entrepreneurial sector.

Non-entrepreneurs' background experiences and mental attitudes would not be as conducive for the receptive of new ideas and opportunities. Their mind-set, alertness, and their inherent responses to challenges would not be operating at the same wavelength.

As to whether the entrepreneurs' creativity is something that they are born with or if it is something that can be cultivated, the answer is divided between the two. They are usually born with an above average level of energy, have an enquiring mind, and are restless and inquisitive. Their early life path has a significant influence on

shaping their values and principles and giving them the experiences that will help to form the foundation upon which their entrepreneurial activities will take root.

The entrepreneurs' creative abilities will be enhanced as a result of successfully developing their first entrepreneurial enterprise. Their success will encourage the opening of other windows of opportunity that will be presented to them.

## 6.6 Tentative profile of the creative entrepreneur

When one summarises the findings of the common generic themes appertaining to the creative processes of the entrepreneur, it becomes possible to produce a profile of the type of person he or she appears to be.

This profile represents a person who has grown into the role of being an entrepreneur, and who now finds the need to be continually 'reinventing' him or herself in order to cope with the ever-changing business situation.

**Table 6.1 Tentative profile of the creative entrepreneur**

- Genetically inherited above average energy level, active, always on the go, restless.
- Has the need to prove themselves to others as well as themselves.
- Still has a 'chip on their shoulder' probably about their education.
- Has a 'prepared mind' continually scanning for ideas and opportunities.
- Most of his or her ideas and opportunities apparently materialise by chance happenings.
- Endowed with a total self-belief and self-efficacy, which has originated from a lifetime of experience, successes and overcoming failures and setbacks.
- Regularly practises visualisation, rehearsal techniques and goal-setting.
- Requires quality thinking space to allow his or her mind to go on a freewheeling agenda.
- Never throws away ideas, likes to write them down and record them.
- Sometimes puts ideas on a back burner if the time is not right or the idea requires additional information.
- Does not like to share ideas with people until the idea can be defended against criticism.
- Recognises that he or she needs the best people that he or she *can't* afford in their enterprise in order to supplement the skills he or she does not have.
- Likes to have escape routes and to hedge his or her bets.
- Happiest when influencing his or her own environment and controlling his or her own destiny.

## **6.7 Reflections on the research approach**

It is recognised that there are shortcomings within this research study.

The definition of the entrepreneur used for this study could imply that the findings of the research are only applicable to this particular type of entrepreneur although it covers a very wide range.

The sample size of 50 can not be considered indicative of the entrepreneurial population or even the entrepreneurial sector under consideration. In defence of this criticism, as the interviews progressed, the list of generic themes was not being added to, saturation was being reached, so perhaps it was reasonable to assume one had gained most of what was possible from the approach taken.

It is recognised that the research methodology being almost 100% qualitative could be criticised by those who feel that research must be supported by quantitative analysis if it is to be viable. It is, however, difficult to visualise obtaining the type of data required any other way.

One could have used a survey method using questionnaires to gain straight answers to questions as to whether or not they employed any of the techniques being researched, then used statistical analysis to produce tables of results. This however would not have produced the substance, quality, richness, and authenticity of the data obtained directly from the mouth of the entrepreneurial 'owner driver', unprompted, unrehearsed and recalled with spontaneity.

It is debatable that the research findings could have benefited and had further validation by carrying out a longitudinal study. While this aspect had been considered, taking into consideration the size of the population sample and the fact that most of the entrepreneurs were millionaires with time at a premium it was decided to confine further research to a number of follow-up meetings after the period of one year. This

allowed the monitoring of certain information obtained during the first interviews. In particular, the aim was to observe the development of many of the ideas that the entrepreneurs had expressed and their methods of discovering other ideas and opportunities. It was also interesting to observe how the entrepreneurs had dealt with the problems and potentially difficult situations expressed so freely during the first interview. The opportunity was taken to share with the entrepreneurs the preliminary findings from the original interviews and note their reactions.

There might also be a suggestion of researcher bias, particularly in the collection and interpretation of the data, though this was guarded against by quoting the actual words used by the entrepreneurs and ensuring that the entrepreneurs were allowed to tell their 'story', uninterrupted and in their own words.

Any overt communication be it a document, a transcript, etc. can be doubted as a representation of internal states. Validity assessment in this research is therefore perhaps a question of the entrepreneur's sincerity and other factors that might influence the formation of the assertions made in their personal histories. Raw data are often a product of retrospective processing and as a consequence are more or less intentionally polished and contaminated by hindsight interpretation. In the interviews with the entrepreneurs, provided there were no serious insincere factors, it is believed that it has been possible to tap the 'real thing', at least to discover what was close to the surface in terms of the access they had to their long-term memories.

In a closely process-related model it would have been preferable to use data which the entrepreneur was directly able to heed to in short term memory and which was thus not too contaminated by *ad hoc* inference or retrospection (Ericsson and Simon, 1980). For models with structural-type constructs, belief patterns, strategic views, etc. it is perhaps the more stable and dominant cognitive content, the

declarative elements in memory, that seem more relevant. Although not devoid of problems, they often appear more likely to be elicited reliably and validly than process – related data. (Taylor and Fiske, 1981).

To know what is inside in terms of cognitive structures or processes is a different thing from believing in its relevance. Such knowledge must be based on overt communication, oral or written, which in turn creates problems regarding the valid representation of the unseen cognition's. As a result this calls for a certain modesty and broad-mindedness in the practice and interpretation of research, when it comes to claims and hypotheses about the unseen internal phenomena.

There are serious problems in knowing and understanding the underlying cognitive phenomena, and in acquiring strong independent evidence to rely on when it comes to the validity of measures of cognition. Perhaps one should concentrate on more related empirical research, in order to produce a cumulative multiple assessment of validity (Taylor and Fiske, 1981:511-515)

Having made these guarded observations it is firmly believed that the data collected is authentic in its disclosure, meaning and interpretation.

The data obtained from the interviews can be replicated, as many of the entrepreneurs are so well known there have been many articles and features about them which support and help to validate many of the findings contained in this research.

No attempt has been made to create a hierarchical list of the most successful entrepreneurs. In their own way, all made a positive contribution to the research. They all had their own particular situation, circumstances and context to cope with. Despite the generic themes that were established, hard facts and conclusions drawn from the research findings cannot be used as the 'Holy Grail' in determining the formula for



successful entrepreneurial creation. However, they do provide some insight into what can be involved in the entrepreneurs' creative processes and has proved to be successful by a number of well-known Scottish entrepreneurs.

While this research study has concentrated on successful entrepreneurs further research on unsuccessful entrepreneurs may give valuable insights into determining why there is such a high failure rate in entrepreneurial-type enterprises. In particular, to determine any 'missing ingredients' in the make-up of the entrepreneur and the creative processes that is involved.

The research has mainly concentrated in the nascent period of the entrepreneurs' lives in order to determine how they first discovered their entrepreneurial idea. In the follow-up meetings a year later the concentration was upon how they had discovered their most recent ideas and opportunities. It was appreciated that the starting point was different as the entrepreneurs had gained experience, confidence, and self-belief. The entrepreneurs also possessed the abilities to raise the resources necessary to develop their ideas. It was, however, interesting to note that the 'discovery' process had not changed.

## **6.8 Implications for policy makers, entrepreneurs and practitioners**

From the findings of the research it is wholly feasible that a degree of practicable and theoretical learning could be introduced covering many of the parameters mentioned in the discovery phase of the creative process. This would help 'prepare the mind' of the nascent entrepreneur in order to scan for and recognise the idea or opportunity that will start their entrepreneurial venture. It would also assist them in formulating a way of thinking and an action plan to carry out the innovative tasks that are required to convert the idea or opportunity into a successful business venture.

Table 6.2 summarises some of the key findings of the research that could be used to encourage the establishment of a 'can-do' attitude, that can lead to the creation of a new enterprise.

**Table 6.2 Encouraging the 'can-do' attitude**

- Visualisation and rehearsal techniques can be taught and actively practised.
- Goal-setting with achievable Sub-goals employed in order to reach future objectives.
- The adoption of a quality thinking space and time in order to allow the mind to have a 'freewheeling agenda' and quiet contemplation.
- To make contact with and adopt certain successful entrepreneurial role models where inspiration can be gained and encouraged.
- The habit of reading and devouring books on success, achievement and best practices should be developed.
- The adoption of a positive way of thinking, and remembering that for every problem there is an opportunity waiting.
- Small successes should be built upon and every disappointment and set back treated as a learning experience.
- Develop a high degree of sensitivity to what is going on.
- Total belief in one's own ability to make things happen – the 'can-do' attitude, should be encouraged.
- The enterprise learning culture and its widespread introduction into the educational establishment provides the theoretical tools necessary to encourage entrepreneurship. What is now needed is the encouragement of its implementation, the opportunity to put the 'pearls of wisdom' into practice.
- There needs to be a friendlier, hand-holding, mature, experienced approach to advise, guide, and encourage would-be entrepreneurial candidates if they are to survive the minefield of today's business battleground.
- Fortunately, there are centres of entrepreneurship and enterprise coming into existence, many with their own different agendas. There is a need for these to be expanded and the best practices of each to be adopted universally.
- There, however, must be a correct balance between theory and practice and more encouragement and assistance available during the start up and adolescent stages of the entrepreneurial venture.

To some extent the literature also supports these conclusions. Academics, researchers and practitioners have suggested many methods for teaching creativity and entrepreneurship, at levels ranging from the elementary through to the postgraduate, both nationally and internationally (Vesper, 1982; Lenox, 1985; Ray and Myers, 1986; Albrecht, 1987; Gist, 1987 Wyckham and Wedley, 1989; Kent, 1990). Yet most entrepreneurship in the real world takes place without any such training. Key

entrepreneurial attributes and ingredients combine to form an opportunity, and not as the result of any deliberate seeking or training' (Vesper, 1982, p. 343). Alternatively, action-orientated behaviour and an opportunity-directed focus, with a strong orientation towards the influences of the environment, often allows training to combine with flexibility to produce conditions conducive to entrepreneurship (During, 1990).

Accordingly, the best education for discovery appears to be an expansive combination of both the formal and informal – a thorough preparation in both analysis and experience (Cannon, 1940; Mansfield and Busse, 1981; Sutton, 1986). Significantly, though, this requirement does not stem from a prescribed field of study or realm of business. The discovery process develops from a complete holistic preparation in skills and practice, not in disciplines.

The recent publication of the Government White Paper entitled *Our Competitive Future*, December 1998 identifies a number of key areas whereby the advent of entrepreneurship can be encouraged. Table 6.3 outlines a number of the key points.

**Table 6.3 White Paper proposals**

- There has to be a shift in the business mind-set regarding entrepreneurship.
- More dynamic innovation is needed.
- There has to be more collaboration between businesses.
- Networking has to be encouraged.
- The importance of the transfer of best practices.
- The stigma attached to entrepreneurship should be removed.
- A change has to be made to the insolvency laws.
- Regional collaboration and know-how should be instigated.
- Intellectual partnerships should be encouraged.
- Develop links between government, businesses and educational establishments.
- An Enterprise fund is to be set up.

Scottish Enterprise, through their New Venture Team in November 1998 produced a discussion paper of the recommendation in order to improve the survivability of new

businesses. The main points of their recommendations were listed in Table 1.1 on page 9 and repeated below.

### **Recommendations for new business survivability.**

- Better access to funding and improved financial management.
  - Improved quality and awareness of pre-start assistance.
  - Easier access to available support through the Personal Enterprise Campaign.
  - Peer group support and established networks.
  - Top level mentoring using real entrepreneurs as advisors.
- (Scottish Enterprise New Ventures Team, Discussion paper, November 1998)

Both the Government's White Paper and the New Venture Team's proposals identify current shortcomings and difficulties that entrepreneurs have faced over the past decade and their implementation of the recommendations should ease the path in encouraging nascent entrepreneurs to start their own enterprises.

The most encouraging aspect about the Government's White Paper is the undisputed acceptance of the importance of the entrepreneur to the economy, the change of attitude towards entrepreneurship, business failure and the ability to raise resources under uncertainty and high risk. The development of networking, benchmarking, sharing and pooling resources, creating regional areas of technology competencies together with incentives to back new business ventures are important issues. It is hoped that the proposals can really be made to work and not develop into a high-powered 'talking shop' with little results from the time and money expended.

The primary role of the government and other agencies is to increase opportunities, to develop the motivation of potential entrepreneurs to go into business, and to enhance potential entrepreneurs' ability to start a business. To assist this

process it is proposed that there will be the provision of laws and regulations to protect entrepreneurial innovation, such as patents and copyrights. A liberal economic policy to let people freely exercise their entrepreneurial talents will be adopted. There establishment of minimum rules and regulations for entrepreneurs to follow in order that the costs of doing business can be minimised is also important.

The reports however seem to concentrate upon what could be termed the 'macro level' variables of the process of new venture creation. While it is understood that macro level variables of social networks and organisational structure influences the 'micro levels' of the entrepreneur's personality, socialisation and overt behaviours, one needs to have a balance between the two – a factor that seems to be overlooked from the reports (Sandberg and Hofer 1987; Van de Van 1993: p.211).

The reports seem to concentrate on the support and collaboration aspects required for successful entrepreneurship and, apart from mentioning the need to develop 'awareness' and a new 'business mind-set' ignores the fundamental requirement to develop a more psychological approach to the problem.

As Shaver and Scott (1991: p.39) pointed out. 'There has been a tendency to concentrate on almost anything except the individual. Economic circumstances are important; marketing is important; finance is important; even public agency assistance is important. But none of these will, alone, create a new venture. For that we need a person, in whose mind all of the possibilities come together, who believes that innovation is possible, and who has the motivation to persist until the job is done. Person, process and choice, for these we need a truly psychological perspective on new venture creation.' This approach is even more relevant in today's global market.

One must not lose sight of the fact that the decision to behave entrepreneurially is the result of the interaction of several factors: the personal

characteristics; personal environment; relevant business environment; personal goal set; and the existence of a viable business idea. It is a complex interaction between attributes and the situation faced by the entrepreneur (Kuratko 1995; Ray 1993).

The real need and priority is to develop the right mental attitude and mind-set for the discovery and creative aspects of venture creation. This in turn will help to ensure the adoption of a can-do, positive mental attitude which together with the use of visualisation and goal-setting techniques will help to ensure not only a successful start up but also to long term survival. One can provide all the resources, encouragement, support, networking and benchmarking to encourage entrepreneurship. However, if the principle actor has not the inner drive, motivation, persistence and the right mental attitude a successful outcome will not be possible.

This research has concentrated on the entrepreneur's creative processes – the process of 'growing' the enterprise is still to come. Being also a dynamic process, the expansion of the new enterprise requires fundamental changes to occur within the entrepreneur who has founded the enterprise. Not only are the changes required in the way the entrepreneur structures, controls and runs his or her enterprise, but more implicitly the mental changes that are required in the way he or she comes to terms with the changing process within him or her self. For many entrepreneurs this is a divide they do not wish to cross and alternatively they go and start other entrepreneurial enterprises. Many have said that the 'fun has gone out of the business'. If research was carried out into this aspect of the entrepreneur's transformational processes it would require an additional chapter to be added to this study. At least it would prepare the established entrepreneurial mind as to what might be involved.

While this research has been confined to the geographical area and culture of Scotland, it would be enlightening if similar research could be carried out with entrepreneurs in other countries, in order to determine if the generic themes identified from the research also applied across other cultures.

Finally, it is worth remembering Schumpeter (1934: pp. 93-94) where he sums up the entrepreneur as having a dream and the will to found a private kingdom. A will to conquer and the impulse to fight for it. A need to prove oneself to others and perhaps to him or herself. A need to succeed for the sake, not of the fruits of success, but of success itself. The reward being the joy of creating and of getting things done.

A high percentage of the entrepreneurs interviewed in this research study echoed these sentiments.

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## **Appendices**

**Appendix 1**  
**Introductory letter (a)**  
**BROOMFIELD HOUSE,**



May I introduce myself to you.

I had the pleasure of attending the Entrepreneurial Exchange conference at Turnberry on the 1-2 May. Unfortunately I did not have the pleasure of meeting you there - there was always so much going on it proved impossible to meet everyone one wanted to.

I am in the twilight of a long business career stretching over thirty-five years. The past sixteen years as an Entrepreneur, starting and developing six of my own companies. Now, because for the first time in my life I seem to have time available and in response to many requests to do so, I am currently writing a book about my life and in particular my business experiences.

I am also currently carrying out a Doctoral Research program at the University of Abertay Dundee entitled "Longitudinal cognitive modelling of the Entrepreneur's thought processes.' In essence the research is to show that Entrepreneurs have similar cognitive thought processes and apart from the core attributes each of us have which remain more or less fixed, other attributes vary over the multi stages of a business growth cycle. It is in this context that I am writing to you to ask for your assistance in helping me compile my data bank of entrepreneurial thoughts'.

From the information given at the conference and your own interest in attending it would appear that perhaps your own thought processes over the period of having the original idea, formulating the opportunity, developing and growing your business, might be the ideal background to compile the information that I require to support my research hypothesis.

I understand and appreciate that time is always the essence in business, nevertheless I would very much appreciate if you could spare me an hour of your time to talk to me about yourself and in particular what makes you tick'. If you might be concerned about the confidentiality of your inner thoughts, please let me assure you that under no circumstances will your name be mentioned in relation to any information obtained.

In the longer term I hope that in some way the work that I am now doing will encourage Entrepreneurship in Scotland and lead to a better understanding of this special breed called Entrepreneur.

I hope you can assist me and I look forward to hearing from you.

Yours sincerely,

Robert Beattie

## Appendix 1

**Introductory letter (b)**  
**BROOMFIELD HOUSE,**



Dear

May I introduce myself to you.

I am in the twilight of a long business career stretching over thirty-five years. The past sixteen years as an Entrepreneur, starting and developing six of my own companies. Now, because for the first time in my life I seem to have time available and in response to many requests to do so, I am currently writing a book about my life and in particular my business experiences.

I am also currently carrying out a Doctoral Research program at the University of Abertay Dundee entitled "Longitudinal cognitive modelling of the Entrepreneur's thought processes." In essence the research is to show that Entrepreneurs have similar cognitive thought processes. Apart from the core attributes each of us have which remain more or less fixed, other attributes vary over the multi stages of a business growth cycle. It is in this context that I am writing to you to ask for your assistance in helping me compile my data bank of 'entrepreneurial thoughts'.

I have noted your listing in the Scottish Enterprise's 'Local Heroes', from which it would appear that perhaps your own thought processes over the period of having the original idea, developing the opportunity, developing and growing your business might be the ideal background to compile the information that I require to support my research hypothesis.

I understand and appreciate that time is always the essence in business, nevertheless I would very much appreciate if you could spare me an hour of your time to talk to me about yourself and in particular 'what makes you tick'. If you might be concerned about the confidentiality of your inner thoughts, please let me assure you that under no circumstances will your name be mentioned in relation to any information obtained.

In the longer term I hope that in some way the work that I am now doing will encourage Entrepreneurship in Scotland and lead to a better understanding of this special breed called Entrepreneur.

I hope you can assist me and I look forward to hearing from you.

Yours sincerely,

Robert Beattie.

## **Appendix 2**

### **Vignettes of each entrepreneur interviewed**

Vignettes of each entrepreneur are given in order to provide an indication of the context of each entrepreneur's situation, and to provide some colour and background to the impersonal coding references without invalidating the confidentiality.

#### **E1 – Food**

Wife of a farmer, tired of breeding pigs and doing work on the farm decided with a friend to open up a service providing catering facilities to local schools. This then led to the establishment of her own retail shop providing a wide range of 'home-cooked' products. Further expansion took the business into catering for weddings and funerals.

#### **E2 – Food**

Business owned by a husband and wife where the wife is the entrepreneur. Built up a substantial, expanding, profitable business only for a major disaster to destroy it. Built it up again under a different management structure. Uses gut feeling and intuition to forecast market trends. Very successful in identifying market niches. Is not a very successful 'team' player. Hard working and dedicated to the business, despite having a large family.

#### **E3 – Computers**

Owner of a computer software company saw the opportunity to provide a software package specially tailored to the architectural profession. Business expanded rapidly but encountered problems when the cash flow did not keep pace with the business development. Retrenching and reorientation put them on the right track again.

#### **E4 – Engineering**

Well-educated, strong marketing oriented entrepreneur. Has identified a unique niche to bring innovative products to the market. Practices visualisation, goal-setting and rehearsal mental modelling techniques. Team-oriented management structure. Maintains firm financial control of the business. Plans to expand geographically in the course of time.

#### E5 – Printing

Classic case of someone who after working for a firm saw the opportunity to go into business on his own in order to take advantage of a market niche that was not being exploited.

#### E6 – Financial services.

After working at a senior level for a professional firm, seized the opportunity to start his own company in a similar business area. His network of contacts ensured a steady income flow that has been expanded by acquisition and organic growth.

#### E7 – Financial services

Having obtained his professional qualifications and served his ‘apprenticeship’ at someone else’s expense, decided to go into business on his own account. Built up the business initially using his network of business and personal contacts. Alert for market opportunities and lucrative niches.

#### E8 – Agriculture

When he inherited his father’s farming business he decided to expand the business into providing farming supplies covering a wide range of products. Has considered of selling out a number of times; however, his active mind continually sees new opportunities for growth.

#### E9 – Cleaning

Identified a business opportunity by chance. Since then he has built a significant family business and continues to expand it. Believes someone is looking after him. He is one of the old school where one's word is one's bond. Is a firm advocate of visualisation techniques, which he uses to a great extent. He has his family involved in the business. Considers customer relationships to be of the highest importance. His business is very people-oriented and he appreciates the necessity of having the best.

#### E10 – Retail

Late developer with an active mind that sees opportunities everywhere. Has many options under consideration, the only restriction being the availability of cash. Has attracted a number of overseas investors in one or two of her business proposals.

#### E11 – Retail

Major retailer who has built up his empire from scratch, taking advantage of leasing property in strategic market positions. Volume trader at low margins being alert to market changes.

#### E12 – Property

Young, single, extremely hard-working, and expects everyone working for him to be the same. Left school at an early age. Previously he had always had part-time jobs. Saw a business opportunity, seized it and has expanded the business very profitably. Believes in having first-class business and personal networks, which is essential to the success of his business. Ambitious but also realises now that he has missed out on aspects of life. Practices visualisation, goal-setting and meditation.

#### E13 – Manufacturing

Craftsman trained, felt his skills were not being appreciated. Established his own business to take advantage of a market niche that was not being exploited. Hard

working but continually concerned with cash flow problems. Full of ideas to expand his business and also to increase the added value of his present product lines.

#### E14 – Manufacturing

Left school at an early age. Served his apprenticeship as a craftsman. Almost achieved international standard at sport. Saw an opportunity to improve what he was doing as an employee and at the same time make money. Started his own company and built it into a household name. Married with children and has other members of the family involved in the business.

Likes to manage by walking about. Feel he learns more about the state of his business that way. Always tries to improve the quality of the people he has. Lately has become more community-minded.

#### E15 – Oil and gas exploration

Well-educated, international sportsman, comes from a family well-versed in the business climate. Married with a number of children. Took over the nucleus of a family business and expanded it out of all recognition, by innovative entrepreneurial ideas and backing his 'gut feeling'. Strong advocate of the team approach to business and the critical importance of having the best people in the organisation and looking after them.

Would stress that having total self-belief in what one does is the key factor in having a successful business.

#### E16 – Engineering

A time-served apprentice engineer who has worked hard to gain experience and to obtain university degrees, the difficult way. Progressed from pure engineering into management and then consultancy. Saw the opportunity to create his own business, then bought into an under-performing public company which he has now made

internationally very successful. He is a strong believer in visualisation and goal-setting. Believes that everything is possible. Despite his success he has plans for developing other businesses.

#### E17 – Retail services

A person with boundless energy, strongly sales-oriented. Started selling in a corner of his parent's antique shop when thirteen. Gained selling experience in a well-known high street store then took up the challenge in selling on commission only. He then had an opportunity to go into management, which developed into starting his own business. Full of ideas, hates paperwork and detail work. Gauges his success by the standard of car he has. Strongly held self-belief and self-efficacy. He is well-supported by his wife in aspects of the business.

#### E18 – Leisure industry

Late developer as far as formal education is concerned. He was widely travelled in his early youth. Has a record of being very astute in recognising opportunities. Considerable success in turning opportunities into successful businesses. Operates on a global canvas. Domestic relationships have paid the price for his success. Continually considering new ideas and opportunities mainly concerning business. Believes in having the best people. Practices visualisation and goal-setting. Tremendous self-belief, built on past successes.

#### E19 – Communications

Young, single, energetic, hard working with a total self-belief in what he is doing. Served his 'apprenticeship' in selling a product, for which his own company now has a third of the U.K. market. Believes in having role models and reads biographies for inspiration. Recognises the importance of having the very best people who seem to hold him with great regard and respect. He has high standards of values and



principles, which he lives by and expects to find in others. His vision is to be the number one supplier for the product in the U.K.

#### E20 – Property development

Experienced, mature entrepreneur who makes quick decisions in order to take advantage of opportunities. Has a lifetime of experience to fall back on. Dislikes current business ethics, perhaps because he is 'one of the old school'. Prefers to operate alone, but appreciates the need for skills he does not possess. His business success has been at the expense of his personal relationships. He becomes totally focused in achieving his objectives. Practices visualisation and goal-setting. Appreciates the necessity of having 'thinking spaces'.

#### E21 – Outsourcing

Middle aged, well-educated, though not brilliantly, entrepreneur who has progressed from being an intrapreneur. Wide international marketing experience with blue chip companies at senior level. Identified a growing market trend and decided to set up an organisation to take advantage of it. Happily married with a young family. Appreciated the freedom of being in control of his destiny. Tremendous believer in having a strong personal and business network. Practices goal-setting and visualisation.

#### E22 – Tourism

Well-educated, talented woman with an interest in history and a gift for languages. Decided she was bored, so made use of her talents as an excellent cook to set up her own business.

Learned from this experience then decided to make use of her interest in history and a flair for languages to set up a tourism organisation, which became number one in Scotland. Paid the penalty for her success in her personal relationships.

Likes to have a sounding board for her ideas. Does not like being in business on her own.

#### E23 – Electronics

A breakaway team from an established electronic firm saw an opportunity to create their own company, with lower overheads, in order to capture a share of the available market. Since establishing their company they have been able to expand into other market sectors.

#### E24 – Do-it-yourself supplies

One of the old school where his word is his bond. Had an idea 27 years ago and formed a business, which is still going strong. Has a brother involved in the business. High energy levels and looks over his shoulder at what is going on most of the time. Appreciates the need for quality thinking time and quiet places to think. Continually looking for market trends and possible niches in the market. Does not like making investments where he has no control. Believes that he has a guardian angel looking after him. Practises visualisation and goal-setting.

#### E25 – Health care

Married with husband and young family. Professionally qualified and experienced before having an idea which she formed a company to exploit. Aware that her business interests have put strains on her personal relationships. Becomes totally focused in what she is doing. Believes in the importance of having good, reliable staff. In the process of starting other businesses as well as travelling all over the country and the world giving others the benefit of her experience.

#### E26 – Accountants

Member of a professional firm he recognised a market sector that was not being exploited and has subsequently been responsible for capturing a large sector of the market and continues to expand it.

#### E27 – Garden centres

Mature entrepreneur with a wealth of fascinating experience. Convinced he has a guardian angel. A miraculous recovery from cancer helps to support this view. He has the ability to turn problems into opportunities and successful ones at that. Despite his mature years he is on the threshold of his biggest-ever deal. Appears to be a bit of a loner, but is well supported by his wife and family. Astounding number of his ideas have occurred serendipitously. He is strongly supportive of goal-setting and having a vision. One gets the feeling that the expression ‘watch this space’ originated from him.

#### E28 – Leisure

Had the vision to see a market opportunity given the right location. Actively searched the country, purchased land and over the years established a major leisure activity which continues to expand every year.

#### E29 – Leisure industry

Mature experienced entrepreneur, whose business is known by everyone. Down to earth, no frills approach to business and life in general. Now concentrating on building up a second-generation management team. He is aware of the shortcomings of his social life because of his dedication to his business. A leading exponent of improving living standards and behaviours. Appreciates the importance of having the best people in his organisation. He has high standards of values and principles, which has stood him in good stead throughout his life. He has been married to his wife since they were in their teens and is still well supported by her.

### E30 - Catering

This woman is an excellent example of triumph over a tremendous personal disaster. She has been hard working and making her way in life since an early age. Examination results made her very frustrated, but also made her motivated to have her own business. Cooking and food plus an opportunity to acquire a small business gave her the start she needed. Soon after, she had a major accident which left her disabled, but did not lessen her desire to build up her business. Through hard work, instinct and gut feeling, plus having reliable competent staff, she has expanded her business to become one of the leading companies in her field of business in Scotland.

Her business interests have put strains on her marriage and young family. She practices goal-setting and rehearsal techniques and finds this very helpful. Her vision is further expansion.

### E31 – Environment protection

A dedicated woman who believes she has a mission in life which originated when she was a small child. Considers she has someone watching over and guiding her. She is a past master of visualisation, meditation and rehearsal techniques. Frustrated by the restraints of the economy, which is inhibiting the expansion and growth of her much - needed solutions.

She has a very clear vision of the future and the steps she has to take to get there. One would sincerely say that 'she has a calling'.

### E32 – Creative materials

Reaching a stage in life when a new direction was needed focused this entrepreneur's mind to scanning for an idea to start a new business. The idea occurred at 30,000 feet above the Alps and was in an advanced state of planning by the time the plane reached Heathrow. Borrowed money from the bank to start the business off, which after three

years, became third in line in the U.K. Many lessons were learnt including the difference between running multi-national companies and running one's own small business, where one has to do everything in the beginning. The business put tremendous strains on the family relationships. Recognition that someone else could run the business better than he could, started the entrepreneur off into creating another enterprise.

#### E33 – Consultants

A chance happening transformed this entrepreneur's life. A background experience of social work sowed the seeds of helping people. This is a classic example of having an idea, pursuing it until it becomes an opportunity and then developing it into an international concept. He portrays someone with a very clear vision and a goal. He practices what he preaches. He has exceptionally high energy levels and has the ability to give inspiration to people. With such an outpouring of energy he appreciates the need for quiet places and time to recharge the batteries.

#### E34 – Antiques and fine art

This entrepreneur is a person who has very high standards, that she has lived up to all her life. Well-read, with an avid interest in antiques and fine art, she has an intuition and instinct for the 'best buy'. She used this gift to start and build up a unique business opportunity. Her personal standards were reflected in the business, which attracted the highest and best known in the land. Never really felt comfortable with being directly involved in the face-to-face selling aspect of the business, but she had to overcome this in the interests of building up the business.

#### E35 – Communications

A professional woman who has held senior positions in a highly technical product field. Saw the opportunity to buy into an operation that was being under-developed.

Took control and produced high growth and profitability. Very motivated and self-confident. Although married with children, business comes first in her life. Still very ambitious.

#### E36 – Medical equipment

Already engaged in a number of business interests, this entrepreneur suddenly had an idea for a product that, if successful, would be first of its kind in the world. Months of pounding the street for the necessary financial resources finally produced the required results and a new entrepreneurial company was born. As the product was highly technical and was to be used in a sterile, life-concerning environment, many skills had to be recruited. There then followed a chapter of unforeseen problems and difficulties. The saying that problems present opportunity started with this company. The more unseemly side of business practices proved a hard-to-take learning experience. Visualisation, goal-setting and rehearsals in the middle of the night seemed the order of the day for this entrepreneur.

#### E37 – Furnishing

Having left school at an early age, very disenchanted with the education system, the entrepreneur had a number of jobs. He eventually started his own company along with another party. After a short period of time, the other party became a 'sleeping partner'. The business expanded until the recession hit the trade, and this, coupled with bad debts, put the company in trouble. After a cut-back and reorganisation, the company has bounced back.

The entrepreneur feels that in another year he will have a change in direction, as a lot of the 'fun' has gone out of the business as far as he is concerned. He has a number of 'chips on his shoulder', especially as far as his education is concerned. Appreciates the importance of having the best people and an advocate of goal-setting.

He tries to ensure that he has plenty quality thinking time when he usually has plenty of ideas.

#### E38 – Solicitors

Professional person, who having become disenchanted with working as an employee, decided, along with a number of others, to start their own firm. Decided to concentrate on the commercial side of their professional business with considerable effect. Continues to expand organically and has also looked at geographical expansion.

#### E39 – Retail supplies

Household name of his business that he started on a shoestring. By determination and hard work, established his business. Then through an acquisition, his business rocketed throughout the UK and into Europe. Despite the rapid growth, has kept his feet firmly on the ground.

#### E40 – Transport

Comes from a background of hard work and Christian upbringing. This has helped to establish his values and principles. Held a number of jobs before obtaining his professional qualifications. Had a vision of how a market he was involved in would develop. When it materialised he became one of the leading players in the country and still is today. Very people-conscious and believes in fair rewards for all his many employees. Success has not turned his head. He is very much his own man. Believes in visualisation and goal-setting, both for the short term and long term. He is mindful of the benefit of intuition and insight in his decision taking. Despite his overwhelming success he still allocates time for his Christian activities. His sight is now on a major global presence and has no doubt that he will achieve this.

#### E41 – Electronics

His introduction to entrepreneurship was when he became involved in a management buy-out. Since then he has been involved in a sort of roller coaster business environment. This has necessitated reorganisation and reappraisal of the business mission. Having survived and learned from this experience the business is now expanding again. He works hard and his personal relationships have suffered because of his dedication to the business. He has started to realise that his family has now grown up and he had not noticed this fact. Feels that time is racing past and he has now to do something different with his life before it is too late. Likes to have quiet places to think and allow his mind to wander. Finds it difficult to work as a team, prefers to be a loner but also likes to have a sounding board. He has been careful not to put all his eggs into one basket.

#### E42 – Optical equipment

After leaving school at an early age he went abroad to work where he held quite a number of managerial posts with the same company. Returning to this country he invested some of his money into a company as a sort of business angel but also became its chief executive. Over the years the company expanded and so did his share ownership. He also became a leading light and player in the local community. The business had been going through a difficult period, which looked like it might end in redundancies and reorganisation, when through a serendipitous happening an offer from abroad solved all their problems. He is very people-oriented, which is understandable as the company is very technically based. Practises visualisation, goal-setting and rehearsing the outcomes. He has recently taken stock of his way of life and made some radical changes.

#### E43 – Counselling services



Mature developer, has shown determination and drive in establishing her own business. Very people-orientated and determined to make as much money as possible in the shortest time. Despite having her current successful business, she is constantly alert to other possible business opportunities. Uses her network of contacts to great effect.

#### E44 – Office equipment

This entrepreneur has risen to the top of the mountain and also crashed into the abyss. He had an idea and an opportunity and turned it into a multi-million pound company. Sold out at a handsome profit when he thought the fun had gone out of the business for him. He then thought he had golden fingers and could do no wrong. Lost everything, nearly killed himself, then slowly and surely he came out of the abyss and picked up the pieces of his life. Now he has bounced back, full of ideas, regaining his self-esteem, which he had lost. Needless to say, he has learned from his harsh experience, thanks in no small way to the support of his family.

#### E45 – Food

He has started a number of his own companies in various industries. Bought into an investment company with the object of running and expanding one of the companies. Now market leader in its field. Still alert to other business opportunities and uses his network of contacts to keep his finger on the pulse.

#### E46 – Food

Has had a track record of identifying and taking advantage of market opportunities. Seems to get disenchanted once the business has been established. Needs continual challenges to keep him motivated. Plans to start a new venture once he has sold his existing business.

#### E47 – Computer services

He left school at an early age, much to the chagrin of his family who seemed all destined to become doctors and lawyers. He likes taking things to bits and putting them together again. He held a wide variety of jobs where he was treated unfairly. He then decided enough was enough and, with his new wife, started his own company. His company has recently received a number of national awards and has expanded rapidly in a technical market. He has an abundance of ideas, which he always records. Has developed another company in a completely unrelated market, which has a significant social context. Believes in having the very best people in his organisation and in the right position. It is significant that he has appointed his wife as managing director, as he says she will do the job better than he could.

A goal setter he also practices visualisation. He holds great store by his 'gut feeling' in decision taking and the 'right feeling' about people.

#### E48 – Glassware manufacturer

Identified a market opportunity along with a number of others. Combined their resources to establish the company along with maximum government grants. Using the very latest technology and production facilities, concentrated on producing high quality products for a highly competitive market. Has attracted a lot of interest from the American market.

#### E49 – Milk products

Having started with their own milk-producing farm, over the years have continually expanded by purchasing other companies to increase their market share. Government policy and legislation has helped the growth pattern. Has adopted interesting and unique advertising and marketing policies.

#### E50 – Insect repellents

Being basically a chemist by profession, perhaps it is not surprising that most of his developments originated by chance happenings. He is a great exponent of turning problems into opportunities. He gave up a senior technical post so that he could create his own laboratory to progress his ideas. He has had some difficulty to transforming himself into a business-person. He is not enchanted with the business community and knowing whom to trust. He has a family and is well supported by his wife. His company has won a number of national awards. The global potential for his products appear substantial.

### **Appendix 3**

#### **Interview briefing.**

The entrepreneurs were asked to give an account of their life path (their personal history) from their early childhood to the present day. Highlighting any milestones or benchmarks which had occurred that helped to make them the person they were at the time of the interview.

They were specifically asked to cover their family relationships, early education, subsequent education, first attempts to raise money, employment, how they had the idea to start a business, how they turned the idea into an opportunity, grew the business and what their current plans and goals were. They were also asked to include their successes and failures and to describe what their motivation has been.

It was pointed out to them that the information they gave was to be confidential for the purposes of a doctoral thesis and that their name and company would not be disclosed without their specific permission.

If they so desired another meeting could take place in about a year's time when the preliminary results of the research findings could be shared with them. This reflective input would give the research findings further credibility.

## **Appendix 4**

### **Follow-up interview**

The main purpose of the follow-up interviews was to share with the entrepreneurs the preliminary research findings and to gauge their reactions.

Opportunity was taken particularly to discuss the results of the research questions and to clarify each entrepreneur's response. Where the personal histories from the original interview with an entrepreneur had not specifically covered the research question or their response needed to be clarified or amplified the follow-up interview provided the opportunity to do so.

During the follow-up interview it was also possible to obtain an update on the development of some of the ideas expressed at the first interview and also to monitor the results of entrepreneurs' creative processes in action during the previous twelve months.

The entrepreneurs' responses supported the overall research findings and helped to eliminate any suggestion of a possible researcher bias in the interpretation of the data arising from the entrepreneur's personal histories. It also assisted in validating the results.